

SCHEME OF AMALGAMATION

(Under Sections 230-232 and other Applicable Provisions of the Companies Act, 2013)

BETWEEN

DHELAKHAT TEA CO LIMITED
("DHELAKHAT" OR "TRANSFEROR COMPANY")

AND

RYDAK SYNDICATE LIMITED
("RYDAK" OR "TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. PREAMBLE AND OVERVIEW OF THE SCHEME

1.1. This Scheme (as defined hereinafter) is presented under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed there under for amalgamation of Dhelakhat Tea Co Limited ("DHELAKHAT" or "Transferor Company") into Rydak Syndicate Limited ("RYDAK" or "Transferee Company") and their respective shareholders and creditors with effect from the Appointed Date (as defined hereinafter).

1.2. In addition, this Scheme also provide for various other matters consequential, supplemental and/or otherwise integrally connected therewith.

2. DESCRIPTION OF COMPANIES

2.1. **Dhelakhat Tea Co Limited** (hereinafter referred to as "DHELAKHAT" or "Transferor Company") is a public limited company, originally incorporated on November 19, 1917 in the name of "Dhelakhat Tea Co. Ltd" under the Indian Companies Act, 1913, with CIN L15492WB1917PLC002894 and having its registered office at 4 Dr. Rajendra Prasad Sarani, Kolkata -700001, West Bengal, India. The company is carrying on the business of harvesting, manufacturing and selling of tea. The equity shares of the Transferor Company are listed on Calcutta Stock Exchange Limited ("CSE").

2.2. **Rydak Syndicate Limited** (hereinafter referred to as "RYDAK" or "Transferee Company"), is a public limited company, originally incorporated in the name of "Rydak Tea Syndicate Limited" under the

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Indian Companies Act, 1882, with CIN L65993WB1900PLC001417 and having its registered office at 4 Dr. Rajendra Prasad Sarani Kolkata - 700001, West Bengal, India. It was incorporated on 24th July, 1900. The company is carrying on the business of harvesting, manufacturing and selling of tea and Tea Tourism business. The equity shares of the Transferee Company are listed on Calcutta Stock Exchange Limited ("CSE").

3. RATIONALE FOR THE SCHEME

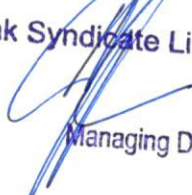
The proposed amalgamation would be in the best interests of the Companies (as defined hereinafter) and their respective shareholders, employees, creditors and other stakeholders. The proposed amalgamation will yield advantages as set out inter alia below:

- 3.1. The amalgamation would result in improving the potential for further expansion of the businesses by way of consolidation of capital base and increased borrowing strengths of the combined entity.
- 3.2. The amalgamation will result not only in consolidating and improving the internal systems, procedures and controls but will also bring greater management and operational efficiency due to integration of various similar functions being carried out by both the Companies.
- 3.3. Greater size, scale, financial strength and flexibility for the merged Transferee Company will result in maximizing and unlocking overall shareholders value.
- 3.4. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Companies with saving in administrative cost and deriving economies of scale.
- 3.5. The Amalgamation would be advantageous to the combined entity by expanding its product portfolio through the inclusion of orthodox producing tea estates. As a result the merged Transferee Company will occupy a more dominant position in the Industry through its wider "bouquet of tea i.e CTC and Orthodox".

4. PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

- 4.1. **PART A** deals with the definitions of the capitalized terms and interpretations used in this Scheme, date of taking effect of this Scheme and Share Capital of the Companies;

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4.2. **PART B** deals with clauses in relation to amalgamation of Dhelakhat into Rydak, consideration for amalgamation and accounting treatment for amalgamation;

4.3. **PART C** deals with general terms and conditions applicable to this Scheme.

PART A - DEFINITIONS AND SHARE CAPITAL

5. GENERAL DEFINITIONS AND INTERPRETATIONS

5.1. In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

"Act" means the Companies Act, 2013 and the rules and regulations and/or other guidelines or notifications made there under, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamation" means amalgamation of the Transferor Company with the Transferee Company, on a going concern basis in accordance with section 2(1B) of the Income-Tax Act, 1961, in terms of Part B of the Scheme;

"Applicable Law(s)" means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, law enacted or issued or sanctioned by any Appropriate Authority (as defined hereinafter) including any modification or re-enactment thereof for the time being in force;

"Appointed Date" for the purpose of this Scheme and the IT Act (as defined hereinafter) means 1st April 2022 or such other date as may be mutually agreed to by the Board of Directors (as defined hereinafter) of Transferor Company and Transferee Company or such other date as may be fixed or approved by the NCLT (as defined hereinafter) or any other Appropriate Authority (as defined hereinafter);

"Appropriate Authority" means any Governmental Authority (as defined hereinafter), statutory, regulatory, departmental or public body or authority of the relevant jurisdiction, including Registrar of Companies, Regional Director, Official liquidator, NCLT, Stock

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Exchanges (as defined hereinafter), SEBI (as defined hereinafter), any relevant tax authority and any other relevant competent authorities;

"Board of Directors" or **"Board"** in relation to the Transferor Company and/ or the Transferee Company, as the case may be, means their respective Board of Directors and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/ or any other matter relating thereto;

"Companies" shall collectively mean the Transferor Company and the Transferee Company;

"Effective Date" or **"On the Scheme becoming effective"** means the date on which last of the approvals or events specified under **clause 19** of Part C of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. References in this Scheme to the date of "upon this Scheme becoming effective" or "coming into effect of this Scheme" shall mean the Effective Date;

"Governmental Authority" means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body or any of its ministries, departments, secretariats, agencies or any legislative body, commission, authority, court or tribunal or entity and any other authority exercising jurisdiction over the Companies;

"IT Act" means the Income-tax Act, 1961 and the rules, regulations, circulars, any statutory modifications, re-enforcements or amendments thereof for the time being in force;

"National Company Law Tribunal" or "NCL T" or "Hon'ble NCLT" means the National Company Law Tribunal at Kolkata having jurisdiction in relation to the Transferor Company and the Transferee Company;

"Record Date" for the purpose of this Scheme shall mean the date to be fixed by the Board of Directors of the Transferee Company in consultation with Board of Directors of Transferor Company for the purpose of determining the shareholders of the Transferor Company who are eligible to get the shares of the Transferee Company respectively as per Part B of this Scheme;

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"**Registrar of Companies**" means Registrar of Companies of State of West Bengal;

"**SAST Regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

"**Scheme**" means this Scheme of Amalgamation presented under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and/ or Companies Act, 1956 in the present form or with such modification(s) approved or directed by the NCLT;

"**SEBI**" means Securities Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;

"**SEBI Listing Regulations**" means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and shall include any statutory modification, amendment and re enactment thereof for the time being in force or any act, regulations, rules, guidelines, etc. that may replace such regulations;

"**Share Exchange Ratio**" means ratios for determining the issuance of shares by Transferee Company to the shareholders of Transferor Company under Part B of this Scheme, as set out in the Share Exchange Ratio Report dated 1st November, 2022 issued by Harsha Saraf, (Registration No. IBBI/RV/06/2019/11425), Registered Valuer, Kolkata, West Bengal;

"**Share Exchange Ratio Report**" means the report stating Share Exchange Ratio issued by Harsha Saraf, (Registration No. IBBI/RV/06/2019/11425), Registered Valuer, Kolkata, West Bengal dated 1st November, 2022;

"**Stock Exchanges**" means the Calcutta Stock Exchange Limited (CSE);

"**Transferor Company**" or "**DHELAKHAT**" means **Dhelakhat Tea Co Limited**, a company incorporated under the Indian Companies Act, 1913, and having its registered office at 4 Dr Rajendra Prasad Sarani Kolkata - 700001, West Bengal, India;

"**Transferee Company**" or "**RYDAK**" means **Rydak Syndicate Limited**, a company incorporated under the Indian Companies Act, 1882, and

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having its registered office at 4 Dr Rajendra Prasad Sarani Kolkata - 700001, West Bengal, India.

5.2. All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as described to them under the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, guidelines/notifications/circulars, as the case may be or any statutory modification or amendment or re-enactment thereof for the time being in force.

5.3. In this Scheme, unless the context otherwise requires:

- a) references to "persons" includes individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- b) the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and do not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
- c) references to one gender includes all genders;
- d) words in the singular shall include the plural and vice versa;
- e) words "include" and "including" are to be construed without limitation;
- f) terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Scheme or specified clauses of this Scheme, as the case may be;
- g) a reference to "writing" or "written" includes printing, typing, electronic mailing, and other means of reproducing words in a visible form excluding a text or an instant message;
- h) reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated;

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- i) reference to the recital or clause are references to the recital or clause of this Scheme; and
- j) references to any provision of law or legislation or regulation include:
- i. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced;
 - ii. all subordinate legislations (including circulars, notifications, clarifications, guidelines or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment thereto.

6. DATE OF TAKING EFFECT

6.1. 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.

7. SHARE CAPITAL

7.1. The share capital of DHELAKHAT as per the audited Balance Sheet as at March 31, 2022 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
5,00,000 Equity Shares of Rs. 10/- each	50,00,000/-
Issued, subscribed and paid-up share capital	
3,92,770 Equity Shares of Rs. 10/- each	39,27,700/-

The equity shares of DHELAKHAT are listed on CSE.

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Subsequent to the above date and as on the date of filing this Scheme with the Hon'ble NCLT, there has been no change in the issued, subscribed and paid-up share capital of DHELAKHAT.

7.2. The share capital of RYDAK as per the audited Balance Sheet as at March 31, 2022 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
12,00,000 Equity Shares of Rs. 10/- each	1,20,00,000/-
Issued, subscribed and Paid-up share capital	
973128 Equity Shares of Rs. 10/- each	97,31,280/-

The equity shares of RYDAK are listed on CSE.

Subsequent to March 31, 2022 and as on the date of filing this Scheme with the Hon'ble NCLT, there has been no change in the issued, subscribed and paid-up share capital of RYDAK.

PART B - AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFeree COMPANY

8. TRANSFER AND VESTING

8.1. With effect from the opening business hours of Appointed Date and on the Scheme becoming effective, the entire business of the Transferor Company shall, pursuant to the provisions of sections 230-232 and all other applicable provisions of the Act and section 2(1B) of the IT Act, and without any further act, instrument, deed, matter or thing, stand transferred to and vested, as a going concern, into the Transferee Company by virtue of and in the manner provided in this Scheme.

This Scheme has been drawn up complying with the conditions relating to amalgamation as specified under section 2(1B) of the IT Act. Further, if any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date, resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the IT Act. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Companies, which power shall be

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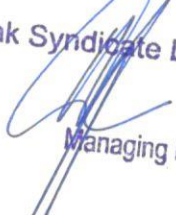

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exercised reasonably in the best interests of the Companies and their stakeholders.

8.2. Without prejudice to the generality of clause 8.1, in respect of assets of the Transferor Company, the same shall be transferred to and vested into the Transferee Company, as follows:

8.2.1. all assets of the Transferor Company, that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and /or by endorsement and delivery or by vesting of whatsoever nature, including plant and machinery, equipment, if any, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and no conveyance deed shall be required accordingly;

8.2.2. all other moveable properties of the Transferor Company, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company and that appropriate entry should be passed in their respective books to record the aforesaid changes. The investments held in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferor Company and the Transferee Company, being a date after the sanction of the Scheme by the Hon'ble NCL T;

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8.2.3. all immovable properties of the Transferor Company, including land together with the buildings and structures, Plantations, Tea Bushes, Nursery etc standing thereon including Tea Estates and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, if any, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation or applicable to such immovable properties. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law(s). The mutation or substitution of title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by Governmental Authorities pursuant to the sanction of this Scheme by the Hon'ble NCLT and upon the Scheme becoming effective in accordance with the terms hereof;

8.2.4. all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records.

8.3. With effect from the Appointed Date and on the Scheme becoming effective, all debts, liabilities, contingent liabilities, subject to provisions of clause 8.1, duties and obligations, secured or unsecured, of every kind, nature and description of the Transferor Company, shall, to the extent that they are outstanding on the Appointed Date and/or on the Scheme becoming effective, under the provisions of this Scheme and under provisions of sections 230-232 of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.


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8.4. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by Transferor Company after the Appointed Date, over the assets of Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.

8.5. Subject to Applicable Laws, any undertaking of the Transferor Company, which is binding on the Transferor Company, if any, as on the Appointed Date of this Scheme, to give a guarantee to any person in respect of any obligation of the Transferor Company shall continue in full force and effect against the Transferee Company.

8.6. Where any of the liabilities and obligations attributed to the Transferor Company on the Appointed Date has been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.

8.7. With effect from the Appointed Date and on the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, lease, tenancy rights, liberties, special status and/or other benefits or privileges enjoyed or conferred upon or availed of or held by the Transferor Company shall stand transferred to or vested into the Transferee Company, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions including statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest into and become available to the Transferee Company pursuant to this Scheme.

8.8. Any question that may arise as to whether a particular asset or liability pertains or does not pertain to the Transferor Company or whether it arises out of the activities or operations of the Transferor Company shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company.

8.9. **LEGAL PROCEEDINGS**

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8.9.1. If any suit, action, claims, appeal or other proceeding of whatsoever nature by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and may be continued, prosecuted and/or enforced by or against the Transferee Company, as effectually and in the same manner and to the same extent as it would or might have been continued, prosecuted and/or enforced by or against the Transferor Company as if this Scheme had not been made.

8.9.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, transferred in its name and to have the same continued, prosecuted and/or enforced by or against the Transferee Company to the exclusion of the Transferor Company to the extent legally permissible after the Scheme becoming effective.

8.10. CONTRACTS, DEEDS ETC.

8.10.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements, schemes and other instruments, if any, of whatsoever nature, pertaining to the Transferor Company or to the benefit of which the Transferor Company may be eligible, which is subsisting as on the Effective Date or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

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

8.10.3. Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company are a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes,

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arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is affected.

8.11. TREATMENT OF TAXES

8.11.1. All the taxes of any nature, duties, cess or any other deduction or any other like payment made by the Transferor Company to any statutory authorities such as income tax, advance tax, tax paid under Minimum Alternative Tax ("MAT"), Goods and Service tax ("GST"), custom duty etc. or any tax deduction/ collection at source, credits (including GST credit, MAT credit), etc., if any, of the Transferor Company shall be deemed to have been on account of or on behalf of or paid by the Transferee Company, without any further act, instrument, deed, matter or thing being made, done or executed, and the Transferee Company shall be entitled to claim credit for such taxes deducted (at source)/paid against its tax duty liabilities/MAT credit, GST, custom duty, etc., on the Scheme becoming effective, notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Transferor Company. Further, upon the coming into effect of this Scheme, all tax compliances under the applicable tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

8.11.2. All the deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of Tax Deducted at Source ("TDS") will be eligible for deduction to the Transferee Company, upon fulfilment of conditions, if any, required under the IT Act. All benefits, entitlements, incentives, issues, refund, under the IT Act, GST laws, custom duty law or other Applicable Laws, regulations dealing with taxes, duties, land levies, levies due to the Transferor Company consequent to the assessment made on the Transferor Company (including any refund for which no credit is taken in the books of accounts of the Transferor Company on the Appointed Date) shall belong to and be received by the Transferee Company without any further act, instrument, deed, matter or thing being made, done or executed, become the property of the Transferee Company.

8.11.3. On the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax returns, withholding tax returns, GST returns, TDS returns, TDS certificates, and other statutory returns and filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to claim refunds, advance tax and withholding tax credits, etc., pursuant to the provisions of this Scheme. The Transferee Company is expressly permitted to amend tax

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deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to its incomes/ transactions from the Appointed Date.

8.11.4. On and from the Appointed Date, if any certificate for TDS or any other tax credit certificate relating to the Transferor Company is received in the name of the Transferor Company, it shall be deemed to have been received in the name of the Transferee Company, which alone shall be entitled to claim credit for such tax deducted amount.

8.11.5. The accumulated losses and the allowances for unabsorbed depreciation of the Transferor Company shall be deemed to be the loss and allowance for unabsorbed depreciation of the Transferee Company in accordance with section 72A of the IT Act and all other applicable provisions of the IT Act and amendments thereof.

8.11.6. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce the proceedings/appeal, the same may be continued or enforced by the Transferee Company. As and from the effective date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by the Transferor Company.

8.12. **EMPLOYEES**

8.12.1. On the Scheme becoming effective, all staff workmen and employees of the Transferor Company who are in service as on the Effective Date shall become staff, workmen and employees of the Transferee Company without any break in their service, on the basis of continuity of service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company with any union/employee of the Transferor Company.

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8.12.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or such other special fund, if any, or trusts (hereinafter collectively referred as "Funds") created for the benefit of the staff, workmen and employees of the Transferor Company, if any, shall, with the approval of the Appropriate Authorities, either continue as Funds of the Transferee Company, or shall be transferred to or merged with other similar funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective trust deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employee will be treated as having been continuous for the purpose of the said Funds.

9. INCREASE IN AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY

9.1. On the Scheme becoming effective and with effect from the Appointed Date and pursuant to the provisions of section 232(3) of the Act, the authorized share capital of the Transferee Company shall automatically stand increased by merging with the authorized share capital of the Transferor Company, without any further act, instrument or deed on the part of the Transferee Company by only upon filing the requisite forms with the Appropriate Authority, and no separate act, procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be made or followed under the Act.

9.2. The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended and no future resolutions under section 13, 14, 61 or 64 and any other applicable provisions of the Act shall be required to be separately passed. The stamp duties and fees paid on the authorised capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and shall be deemed to have been so paid by the Transferee Company for increase in the authorised share capital on such combined authorised share capital and accordingly no extra stamp duty and/or fee shall be payable by the Transferee Company for increase in the authorised share capital to that extent. The Memorandum and Articles of Association of the Transferee Company shall be amended as may be required to give effect to this clause.

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9.3. Consequently, subject to the above clauses, Clause V of the Memorandum of Association of the Transferee Company shall be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 1,70,00,000/- (Rupees One Crores Seventy lakhs only) divided into 17,00,000 Equity Shares of Rs. 10/- each, to be issued when and as the managing agents shall deem necessary and proper with power to increase and reduce the Capital, and the share capital of the Company for the time being may be divided into different classes, to be held on the terms prescribed by the Articles and/ or Special resolutions of the Company, and so that the respective classes of shares may be subject to such preference or restriction(if any) as may be prescribed by the Articles/ Special resolutions ."

9.4. It is clarified that the consent of the members of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and shall also be deemed to be their consent /approval to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act and referred in clause 9.2 of the Scheme.

9.5. Pursuant to this Scheme, Transferee Company shall file the requisite documents information (if any) with the Registrar of Companies or any other Appropriate Authority for such increase of the authorized share capital.

10. CONSIDERATION

10.1. Upon the Scheme coming into effect and in consideration of the amalgamation, the shareholders of the Transferor Company (other than for shares already held by the Transferee Company in the Transferor Company), whose name appears in the register of members as on the Record Date (as defined in the Scheme), or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, shall be eligible to receive 325 (Three Hundred Twenty Five) fully paid up equity shares of face value of Rs. 10/- each of the Transferee Company for every 1000 (One Thousand) fully paid up equity shares of face value of Rs. 10/- each of the Transferor Company held by such shareholder as provided in Share Exchange Ratio Report.

10.2. Upon the Scheme becoming effective, intercompany investments held by the Transferor Company and Transferee Company in each other shall without any application or deed stand cancelled.

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10.3. Where equity shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

10.4. The shares issued pursuant to the provisions of the Scheme as per clause 10.1 (herein after referred to as "New **Equity** Shares"), shall be issued to the shareholders of the Transferor Company in dematerialized form into the account in which shares of DHELAKHAT are held or such other account as is intimated in writing by the shareholders to DHELAKHAT and/ or its registrar provided such intimation has been received by DHELAKHAT and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of DHELAKHAT in physical form shall also receive the equity shares to be issued by RYDAK, in dematerialized form provided the details of their account with the depository participant are intimated in writing to DHELAKHAT and/ or its registrar provided such intimation has been received by DHELAKHAT and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of DHELAKHAT in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of RYDAK, then RYDAK may, subject to Applicable Laws, either issue physical shares or at its discretion hold such equity shares in abeyance until details of such shareholder's account with the depository participant are intimated in writing to RYDAK and/ or its registrar, in writing.

10.5. If any shareholder becomes entitled to any fractional shares or entitlements on the issue and allotment of the New Equity Shares by the Transferee Company in accordance with clause 10.1 above, the fractional shares will be rounded up to the nearest entitlements.

10.6. On the approval of this Scheme by the shareholders of the Transferee Company pursuant to sections 230-232 of the Act and/or the relevant provisions of the Act, if applicable, it shall be deemed that the said shareholders have also accorded their consent under sections 13, 42, 61, and 62(1)(c) of the Act and/or any other applicable provisions of the Act and rules framed there under as may be applicable for the aforesaid issuance of New Equity Shares to the equity shareholders of the Transferor Company,

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and no further resolution or actions shall be required to be undertaken by the Transferee Company.

10.7. The equity shares to be issued and allotted by the Transferee Company in terms of clause 10.1 shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company.

10.8. Further, the equity shares to be issued in terms of clause 10.1 on amalgamation shall rank pari passu with the existing equity shares of the Transferee Company.

10.9. The New Equity Shares of the Transferee Company issued in terms of this Scheme, shall subject to compliance with requisite formalities, be listed and/or admitted to trading only on CSE, the stock exchange on which equity shares of Transferee Company are listed. The Transferee Company shall enter into such arrangement and issue such confirmations and or undertakings as may be necessary in accordance with Applicable Laws for complying with formalities of the relevant stock exchange. On such formalities being fulfilled, the CSE shall list and or admit such equity shares issued pursuant to this Scheme.

10.10. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the CSE, for the issue and allotment by the Transferee Company of the equity shares to the shareholders of the Transferor Company pursuant to the Scheme.

10.11. The equity shares, in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing permission is given by the designated stock exchange, i.e., CSE.

10.12. Post the issue of New Equity Shares pursuant to clause 10.1, there shall be no change in the control in the Transferee Company between the Record Date and the listing which may affect the status of the approval by the Stock Exchanges.

10.13. In the event that the Companies restructure their equity share capital by way of share split consolidation issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

10.14. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof, of the Transferee Company, at

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the sole discretion, shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date, as the case may be, to effectuate such a transfer in Transferor Company as if such changes in the registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.

10.15. Upon coming into effect of this Scheme and upon shares being issued and allotted by Transferee Company to the shareholders of Transferor Company in accordance with above clauses, the investment held by the shareholders in the equity share capital of Transferor Company shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, and / or the shares in electronic form representing the shares held by the shareholders of the Transferor Company in Transferor Company shall be of no effect, and be extinguished and be deemed to have been automatically cancelled, on and from issue and allotment of shares in Transferee Company.

10.16. The New Equity Shares to be issued by the Transferee Company pursuant to clause 10.1 of the Scheme in respect of such equity shares of the Transferor Company, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.

11. ACCOUNTING TREATMENT

11.1. IN THE BOOKS OF TRANSFEE COMPANY

11.1.1. The Transferee Company shall record the assets, liabilities and reserves of the Transferor Company, as on Appointed Date, vested in it pursuant to the Scheme at their respective carrying values as per 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) in accordance with Appendix C of "Business Combinations of entities under common control" under the Companies (Indian Accounting Standards) Rules, 2015. No adjustment shall be made to reflect the fair values, or recognise any new assets or liabilities.

11.1.2. The identity of the reserves of Transferor Company shall be preserved and shall appear in the financial statements of the Transferee

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Company in the same form, in which they appeared in the financial statements of the Transferor Company.

11.1.3. Upon coming into effect of this Scheme, the Transferee Company shall issue New Equity Shares to the shareholders of the Transferor Company (other than for shares, if any, held by Transferee Company into the Transferor Company). These New Equity 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 Transferee Company's share capital account.

11.1.4. The carrying value of investments in the financial statements of the Transferee Company in the equity share capital of the Transferor Company shall stand cancelled pursuant to the Scheme becoming effective and there shall be no further obligation in that behalf.

11.1.5. Upon coming into effect of this Scheme, to the extent there are inter-corporate loans and advances, deposits, balances or other obligations as between Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end, and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

11.1.6. Upon the Scheme coming into effect, the surplus deficit, if any, of the net value of assets, liabilities, reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 11.1.1 of the Scheme over the sum of (a) face value of New Equity Shares issued and allotted to the shareholders of the Transferor Company, and (b) the value of investments cancelled pursuant to clause 11.1.4 of the Scheme, shall be adjusted in capital reserves account in the financial statement of the Transferee Company.

11.1.7. In case of any difference in accounting policy between the Transferee Company and the Transferor Company, the impact of the same will be quantified and the same shall be appropriately adjusted against the capital reserves of the Transferee Company.

11.1.8. The costs and expenses relating to the Scheme shall be accounted for in the statement of Profit and Loss.

11.2. IN THE BOOKS OF TRANSFEROR COMPANIES

11.2.1. There will be no accounting treatment in the books of the Transferor Company as it shall cease to exist pursuant to application of the Scheme. All

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costs, charges, stamp duty incurred in connection with giving effect to this Scheme shall be debited by the Transferee Company to its statement of Profit and Loss.

12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Upon filing the Scheme with the NCLT and upto and including the Effective Date:

12.1. The Transferor Company:

12.1.1. shall be deemed to have been carrying on and shall carry on the business and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for the Transferee Company with utmost prudence, until the Effective Date.

12.1.2. shall carry on the business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or any part thereof.

12.1.3. shall not vary the terms and conditions of any agreements or contracts except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.

12.1.4. shall not vary the terms and conditions of employment of any of their employees, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.

12.1.5. shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

12.2. With effect from the Appointed Date all the profits or losses or income or expenditure of the Transferor Company shall for all purposes be treated and be deemed to be accrued as the profits or losses or income or expenditure, as the case may be, of the Transferee Company.

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12.3. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

12.4. On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company, in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company, after the Effective Date shall be accepted by the banker of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.

13. SAVING OF CONCLUDED TRANSACTION

13.1. The transfer of assets, properties and liabilities of the Transferor Company into the Transferee Company, transfer of all employees of Transferor Company, continuation of legal proceedings, and the effectiveness of contracts and deeds, under above mentioned clauses, shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by or on behalf of the Transferor Company.

14. DIVIDENDS

14.1. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business.

14.2. 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 shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and if

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applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of the respective Companies.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

15.1. On the Scheme becoming effective, the Transferor Company shall stand dissolved automatically without winding up in accordance with the provisions of sections 230- 232 of the Act and rules and regulations made there under.

16. EXEMPTION UNDER SAST REGULATIONS

16.1. For the avoidance of doubt, it is clarified that pursuant to Amalgamation of the Transferor Company into the Transferee Company, the issuance of New Equity Shares of the Transferee Company to the shareholders of the Transferor Company as consideration for the Amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme is exempt under the provisions of Regulation 10(1)(d)(ii) of the SAST Regulations, and therefore, the requirement to make an 'open offer' shall not be triggered in terms of the provisions of the SAST Regulations.

PART C - GENERAL TERMS AND CONDITIONS

17. APPLICATION TO NCLT

17.1. The Transferor Company and the Transferee Company, shall make all necessary applications and petitions under sections 230- 232 read with other applicable provisions of the Act and the rules made there under for seeking approval of the Scheme.

18. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

18.1. The Transferor Company and the Transferee Company, with approval of their respective board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the NCLT or any other Appropriate Authorities under law may deem fit to approve, direct and/or impose. The aforesaid powers of the Transferor Company and the Transferee Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any person authorized in that behalf by the

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concerned Board of Directors subject to approval of the Hon'ble NCLT or any other Appropriate Authorities under Applicable Law.

18.2. In the event that any conditions proposed by the NCLT are found unacceptable for any reason whatsoever by the respective Companies, then the respective Companies shall be entitled to withdraw the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Companies or any of them.

19. CONDITIONALITY OF THE SCHEME

This Scheme shall be conditional upon and subject to:

19.1. the Stock Exchanges having issued their observation / no-objection letter as required under the Listing Regulations;

19.2. the Scheme being approved by the respective requisite majorities of shareholders and creditors (as applicable) of the Transferor Company and the Transferee Company as required under the Act subject to any dispensation that may be granted by the NCLT;

19.3. the Scheme being sanctioned by the NCLT or any other Appropriate Authority under sections 230-232 of the Act and the rules made thereunder;

19.4. the certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company;

19.6. the Scheme shall not come into effect unless the aforementioned conditions mentioned in clause 19.1 to 19.4 above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person.

20. EFFECT OF NON-RECEIPT OF APPROVALS

20.1. In the event of any of the said sanctions and approvals referred to in clause 19 not being obtained and / or the Scheme not being sanctioned by the Hon'ble NCLT or such other Appropriate Authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and as agreed upon between the respective Companies to this Scheme. Each party

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shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

20.2. It is further provided in a case if the Board of Directors of any of the Companies as being part of this Scheme, at any stage prior to the Scheme coming into effect, decides not to proceed further with the Scheme and withdraw the consent of the respective company to the Scheme, in such a case, the Scheme in its entirety shall not be proceeded with by any party and this Scheme shall stand revoked, cancelled and be of no effect.

21. COSTS, CHARGES AND EXPENSES

21.1. Save and except as provided elsewhere in the Scheme or expressly otherwise agreed, all costs, charges, taxes including duties, levies and all other expenses of Transferor Company and Transferee Company arising out of or incurred in carrying out and/or implementing this Scheme and matters incidental thereto, shall be borne by Transferee Company.

21.2. In the event that this Scheme fails to take effect or the Scheme is revoked in terms of clause 20 of this Scheme, then the Transferor Company and the Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

22. SEVERABILITY

22.1. If any clause of this Scheme is found invalid, unworkable for any reason whatsoever, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, the same shall not, subject to the decision of Board of Directors, affect the validity or implementation of the other clauses of this Scheme.

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