

EAST INDIA COMMERCIAL COMPANY LIMITED

(Units : Sri Krishna Jute Mills & Krishna Hessians)

CIN : U51109WB1941PLC010409

1, OLD COURT HOUSE CORNER, KOLKATA-700 001



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NOTICE OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH, CONVENING MEETING OF SECURED CREDITORS OF EAST INDIA COMMERCIAL CO LTD

To
SECURED CREDITORS

MEETING:

Day	Thursday
Date	21 st September, 2017
Time	4.00 P.M.
Venue	Registered Office of the Company - 1, Old Court House Corner, 4th Floor, Kolkata-700 001

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Before the National Company Law Tribunal
Bench at Kolkata

In the Matter of the Companies Act, 2013

And

In the Matter of an application under Section 230 and 232
of the said Act;

And

In the Matter of:

EAST INDIA COMMERCIAL CO LTD

A company incorporated under the Indian Companies Act,
1913; and having its Registered Office at 1, Old Court House
Corner, 4th Floor, Kolkata-700 001, in the State of West
Bengal within the aforesaid Jurisdiction.

With

In the Matter of:

SRI BAJRANG JUTE MILLS PRIVATE LIMITED

A company incorporated under the Companies Act, 1956; a
having its Registered Office at 1 Old Court House Corner,
Kolkata-700 001 in the state of West Bengal
within the aforesaid Jurisdiction

And

IN THE MATTER OF:

1. EAST INDIA COMMERCIAL CO LTD
 2. SRI BAJRANG JUTE MILLS PRIVATE LIMITED
-APPLICANTS

FORM NO. CAA 2
[Pursuant to Section 230 (3) and rule 6 and 7]
Company Application / Petition No. 125 of 2017
EAST INDIA COMMERCIAL CO LTD ... Applicant Company 1

NOTICE OF THE MEETING OF SECURED CREDITORS

Notice is hereby given that by an order dated the 31st day of July, 2017, the Kolkata Bench of the National Company Law Tribunal has directed meeting to be held of Secured Creditors of the said EAST INDIA COMMERCIAL CO LTD for the purpose of considering, and, if thought fit, approving, with or without modification, the Scheme of Amalgamation proposed to be made between EAST INDIA COMMERCIAL CO LTD ("Transferor Company") and SRI BAJRANG JUTE MILLS PRIVATE LIMITED ("Transferee Company") for transacting the following business:

To consider and, if thought fit, approve with or without modification(s) the following Resolution under Sections 230 to 232 of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force as may be applicable:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the National Company Law Tribunal Rules, 2016 and in accordance with relevant clauses of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT" or "Tribunal") and subject to such other approvals, permissions and sanctions of regulatory and other sectoral authorities, if any, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other sectoral authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company, the proposed Scheme of Amalgamation between EAST INDIA COMMERCIAL CO LTD ("Transferor Company") and SRI BAJRANG JUTE MILLS PRIVATE LIMITED ("Transferee Company") ("Scheme"), placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as "the Board") to exercise its powers, including the powers conferred under above resolutions, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties that may arise with regard to the implementation of the above resolution, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary to give effect to the above resolutions or to carry out such modifications / directions as may be ordered by the NCLT to implement the aforesaid resolution."

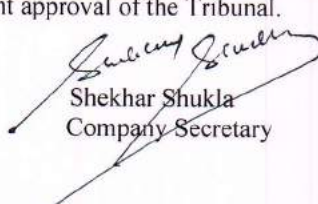
In pursuance of the said order and as directed therein further notice is hereby given that a meeting of Secured Creditors of the said Company (EAST INDIA COMMERCIAL CO LTD) will be held at the Registered Office of the Applicant Company at 1, Old Court House Corner, 4th Floor, Kolkata-700 001 on Thursday the 21st day of September, 2017 at 4.00 P.M. at which time and place the said Secured Creditors are requested to attend.

Copies of the said Scheme of Amalgamation and the statement under Section 230 are annexed to this notice and can be obtained free of charge from the Registered Office of the Company or at the office of its Authorized Representative, Ms. Vineeta Gulgulia, Practising Company Secretary at 7A Bentinck Street, 4th Floor, Room - 401, Kolkata - 700 001. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Company at 1, Old Court House Corner, 4th Floor, Kolkata-700 001 not later than 48 hours before the meeting.

Form of proxy is also annexed to this Notice and can be obtained from the Registered Office of the Company or from the office of its Authorized Representative as mentioned above.

The Tribunal has appointed Shri. Ritoban Sarkar as Chairperson of the said meeting. The abovementioned Scheme of Amalgamation, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

Dated this 14th day of August, 2017


Shekhar Shukla
Company Secretary

NOTES:

1. **A SECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY / PROXIES SO APPOINTED NEED NOT BE A SECURED CREDITOR OF THE COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**
2. All alterations made in the Form of Proxy should be initialed.
3. The Notice is being sent to all the Secured Creditors, whose names appear in the records of the Company as on 1st August, 2017.
4. Voting rights shall be reckoned on the value of Secured Creditors in the books of the Company.
5. Only Secured Creditors of the Applicant Company may attend and vote (either in person or by proxy) at the Court Convened Meeting.
6. Secured Creditors (other than individual) appointing a proxy to attend and vote in its behalf are requested to submit along with the Proxy the relevant Authority Letter of Board/ Governing Body deposited at the Registered Office of the Applicant Company not later than 48 hours before the Scheduled time of commencement of the meeting.
7. A Secured Creditor his proxy is requested to bring a copy of the notice to the meeting and produce it at the entrance of the meeting venue, along with the attendance slip duly completed and signed. The queries, if any, related to the scheme should be sent to the Applicant Company at its Registered Office in such a way that the Applicant Company will receive the same at least seven days before the meeting.
8. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Secured Creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
9. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection, from 11.00 a.m. to 1.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting by the Equity Shareholders at the Registered Office of the Applicant Company.
10. The Notice convening the aforesaid meeting will be published through advertisement in Financial Express, an English newspaper and Aajkal, a vernacular newspaper, in the State where the Registered Office of the Applicant Company is situated.

EXPLANATORY STATEMENT TO THE NOTICE OF THE MEETING OF SECURED CREDITORS OF EAST INDIA COMMERCIAL CO LTD UNDER SECTION 102 AND 230 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 31st July, 2017 passed by the Kolkata Bench of the National Company Law Tribunal, in the Company Application referred to hereinabove, meeting of the Secured Creditors of the Applicant Company, is being convened and held for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation between EAST INDIA COMMERCIAL CO LTD ("Transferor Company") and SRI BAJRANG JUTE MILLS PRIVATE LIMITED ("Transferee Company") ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued there under and the as may be applicable.
2. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation inter alia, providing for the proposed Scheme of Amalgamation between EAST INDIA COMMERCIAL CO LTD ("Transferor Company") and SRI BAJRANG JUTE MILLS PRIVATE LIMITED ("Transferee Company") which has been approved by the Board of Directors of the Applicant Company at its meeting held on February 24, 2017 is attached to this explanatory statement and forms part of this statement as ANNEXURE A.

3. I. Statement disclosing details of Amalgamation as per sub-section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

No.	Particulars	East India Commercial Co Ltd (Transferor Company)	Sri Bajrang Jute Mills Private Limited (Transferee Company)
I	Details of the order of the NCLT directing the calling, convening and conducting of the meeting		
a	Date of the order	31 st July, 2017	31 st July, 2017
b	Date, time and venue of the meeting	<u>Equity Shareholders</u> 21 st September, 2017 11.00 A.M. <u>Secured Creditors</u> 21 st September, 2017 4.00 P.M. <u>Unsecured Creditors</u> 22 nd September, 2017 4.00 P.M. <u>Venue For All Meetings</u> Registered Office: 1, Old Court House Corner, 4th Floor, Kolkata-700 001	<u>Equity Shareholders</u> 22 nd September, 2017 11.00 A.M. <u>Secured Creditors</u> 21 st September, 2017 4.00 P.M. <u>Unsecured Creditors</u> 22 nd September, 2017 4.00 P.M. <u>Venue For All Meetings</u> Registered Office: 1, Old Court House Corner, 4th Floor, Kolkata-700 001
I	Details of the company		
a	Corporate Identification Number (CIN)	U51109WB1941PLC010409	U17119WB1957PTC023502
b	Permanent Account Number (PAN)	AAACE7383F	AAECS2885G
c	Name of the company	EAST INDIA COMMERCIAL CO LTD	SRI BAJRANG JUTE MILLS PRIVATE LIMITED
d	Date of incorporation	3 rd February, 1941	29th June, 1957
e	Type of the company	Unlisted Public Company	Private Company
f	Registered office address	1, Old Court House Corner, 4th Floor, Kolkata-700 001	1, Old Court House Corner, 4th Floor, Kolkata-700 001
	E-mail address	eicclkol@dataone.in	eicclkol@dataone.in
g	Summary of main object as per the memorandum of association; and main business carried on by the company	Main Objects To carry on the business as general merchants, commercial trading, commission agents, importers and exporters and to carry on any other business which may be capable of being conveniently carried on in connection with the said objects. Main Business Processing and manufacturing of jute and jute products	Main Objects To carry on the business of spinners, weavers, manufacturers of jute and any other fibrous materials and related activities. Main Business Processing and manufacturing of jute and jute products
h	Details of change of name, registered office and objects of the company during the last five years	NIL	Name of the Company was changed from 'Sri Bajrang Jute Mills Limited' to 'Sri Bajrang Jute Mills Private Limited' on 02.01.2015 due to the conversion of the Company from 'unlisted public Company' to 'Private Limited Company'

i	Name of the stock exchange (s) where securities of the company are listed, if applicable	Unlisted	Not Applicable
j	Details of the capital structure of the company including authorized, issued, subscribed and paid up share capital	As per Para 4 of the Scheme attached	As per Para 4 of the Scheme attached
k	Names of the promoters and directors along with their addresses	Given below in List II	Given below in List II
iii	If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement including holding, subsidiary or of associate companies	Not Applicable	Not Applicable
iv	The date of the board meeting at which the scheme was approved by the board of directors including the name of the directors who voted in favor of the resolution, who voted against the resolution and who did not vote or participate on such resolution	24th February, 2017 The meeting was attended by the following directors and the resolution was passed unanimously: 1. BRIJGOPAL LUNANI 2. BEGRAJ SHYAMSUKHA 3. ASHOK KUMAR LOHIA 4. VANDANA LOHIA 5. MANOHAR GOPAL LUNANI	24th February, 2017 The meeting was attended by the following directors and the resolution was passed unanimously: 1. BRIJGOPAL LUNANI 2. BEGRAJ SHYAMSUKHA 3. DAVU GOPAL LUNANI 4. PRAKASH CHANDRA KEJRIWAL
v	Explanatory Statement disclosing details of the scheme of compromise or arrangement		
a	Parties involved in such compromise or arrangement	East India Commercial Co Ltd (Transferor Company) Sri Bajrang Jute Mills Private Limited (Transferee Company)	
b.	In case of amalgamation or merger, appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any		
	Appointed Date	1 st April, 2016	
	Effective Date	Later of the following dates or such other dates as the National Company Law Tribunal at Kolkata, may decide. 1. The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed; or 2. The date on which certified copies of the Orders of the Hon'ble National Company Law Tribunal at Calcutta are filed with the Registrar of Companies; West Bengal;	
	Share Exchange Ratio	30 (Thirty) New Equity Shares of Rs. 10/- (Rupees Ten only) each in the Transferee Company credited as fully paid up for every 5 (Five) Equity Share of Rs. 100/- (Rupees Hundred only) each held by the shareholders in the capital of Transferor Company	
c	Summary of valuation report	Refer Annexure B for Fair Exchange Ratio Certificate	

	(if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the company	The same is available for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11.00 a.m. to 1.00 p.m. upto one day prior to the date of the meeting.	
d	Details of capital or debt restructuring, if any	Nil	
e	Rationale for the compromise or arrangement	Refer para 5(i) of the Scheme of Amalgamation attached	
f	Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)	Refer para 5 of the Scheme of Amalgamation attached	
g	Amount due to unsecured creditors (As on 31.01.2017)	Rs. 4,89,00,000/-	Rs. 42,29,10,935/-
vi Disclosure about the effect of the compromise or arrangement on			
a	Key Managerial Personnel (KMP)	Shall cease to be KMPs	No Effect
b	Directors	Shall cease to be Directors	No Effect
c	Promoters	Direct Shareholding in the Transferee Company as per Share Exchange Ratio	Marginal increase in percentage of Shareholding
d	Non-promoter members	Direct Shareholding in the Transferee Company as per Share Exchange Ratio	Reduction in percentage of Shareholding
e	Depositors	No effect as none of the Companies have accepted any deposit	
f	Creditors	Creditors shall become the creditors of the Transferee Company and paid off in the ordinary course of business. Inter Company creditors would get cancelled.	The Company would be in better position to dispose off their creditors.
g	Debenture holders	No effect as none of the Companies have issued any debentures	
h	Deposit trustee and debenture trustee	No effect as none of the Companies have any deposit or debenture trustee	
i	Employees of the company	No Effect as employees, if any, will become employees of the Transferee Company	No Effect
vii Disclosure about effect of compromise or arrangement on material interests of directors, Key Managerial Personnel (KMP) and debenture trustee			
	Directors	Not Applicable	
	Key Managerial Personnel	Not Applicable	
	Debenture trustee	Not Applicable as none of the Companies have any Debenture Trustees	
viii Investigation or proceedings, if any, pending against the company under the Act			
		NONE	
ix Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors, namely:			
a	Latest audited financial statements of the company including consolidated financial statements;	Available at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11.00 a.m. to 1.00 p.m. upto one day prior to the date of the meeting.	

b	Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with	Available at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11.00 a.m. to 1.00 p.m. upto one day prior to the date of the meeting.
c	Copy of scheme of compromise or arrangement	Enclosed as Annexure A to this notice Available at the Registered Office of the Companies on all working days except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11.00 a.m. to 1.00 p.m. upto one day prior to the date of the meeting.
d	Contracts or agreements material to the compromise or arrangement	There was no Contracts or agreements material to the compromise or arrangement
e	The certificate issued by Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and	Available at the Registered Office of the Companies on all working days except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11.00 a.m. to 1.00 p.m. upto one day prior to the date of the meeting.
f	Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme	None. However all important documents / information relevant to the amalgamation are Available at the Registered Office of the Companies on all working days except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11.00 a.m. to 1.00 p.m. upto one day prior to the date of the meeting.
x.	Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement.	Notice under section 230(5) is being given to: The Central Government, Registrar of Companies, Income Tax Authorities, Central Board of Excise & Customs , Competition Commission of India, Jute Commissioner of India, Indian Jute Mills Association in respect of both Companies Official Liquidator in respect of Transferor Companies. Approvals, sanctions or representations, if any, are pending from these authorities.
xi.	A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means.	Persons to whom the notice is sent may vote in the meeting either in person or by proxies.

II. Names of the promoters, directors and Key Managerial Personnel along with their addresses:

1. EAST INDIA COMMERCIAL CO LTD

Name of the Director /Promoter	Designation	Address
BRIJGOPAL LUNANI	Managing Director	No. 1 Lunani Buildings, SathavahanaNagar,Eluru - 534006 , Andhra Pradesh
MANOHARGOPAL LUNANI	Whole time Director	Lunani Buildings, Satavahana Nagar,Gavaravaram, Eluru- 534006 Andhra Pradesh
SIVASANKAR LUNANI	Whole time Director	Sri Krishna Jute Mills G.N.T. Road, EluruWest, Godavari 500001 Andhra Pradesh
ASHOK KUMAR LOHIA	Non Executive Director	4 Alipore Park Road Kolkata -700027 West Bengal
BEGRAJ SHYAMSUKHA	Non Executive Director	27B,Rowland Road, 4th Floor, Kolkata 700020 West Bengal
VANDANA LOHIA	Non Executive Women Director	4 Alipore Park Road Kolkata -700027 West Bengal
RADHAKRISHNA JOSYULA	Independent Director	22b-8-25, Ambica, Street, Chadalavadavari St. Powerpet, West Godavari Districtt Eluru- 534002, Andhra Pradesh
INDRANIL GHOSH	Independent Director	P-49, Ramkrishna Park, Co-Operative HousingSociety, P.O. – Laskarpur, P.S. Sonarpur, Murshidabad- 742101, West Bengal
VIDUSH BHARTIA	Promoter Director	102 Parijat Apt, Fair, Field Layout, Madhav Nagar, 45/1 RaceCourse Road, Bangalore - 560001 Karnataka
SHEKHAR SHUKLA	Company Secretary	844/1, R.N. TagoreRoad, Bediyapara, Kolkata - 700077
SHIVANGINI BHARTIA FAMILY TRUST	Promoter	209, Ramanashree Chambersno-37, Lady Curzon Road Bangalore Bangalore- 560001
SOUTHERN HITECH CAPITAL PVT. LTD.	Promoter	209, Ramanashree Chambersno. 37, Lady Curzon Road Bangalore - 560001
SHIVANGINI PROPERTIES PVT. LTD.	Promoter	209, Ramanashree Chambersno-37, Lady Curzon Road Bangalore Bangalore- 560001
MELBROW COMMERCIAL CO PVT. LTD.	Promoter	209 Ramanashree Chambersno.37 Lady Curzon Road Bangalore Bangalore- 560001

2. SRI BAJRANG JUTE MILLS PRIVATE LIMITED

Name of the Director /Promoter	Designation	Address
BRIJGOPAL LUNANI	Managing Director	No. 1 Lunani Buildings, Sathavahana Nagar, Eluru - 534006 , Andhra Pradesh
DAVU GOPAL LUNANI	Whole time Director	No. 3,Gavaravaram,Eluru West Godavari – 534006, AndharPradesh
PRAKASH CHANDRA KEJRIWAL	Non Executive Director	19B, B. K. Paul Avenue Kolkata -700 005 West Bengal
BEGRAJ SHYAMSUKHA	Non Executive Director	27B,Rowland Road, 4th Floor, Kolkata 700020 West Bengal
NARPAT SINGH KATHOTIA	Whole time Director	54, Industrial Area, Bhanpuri, Chattisgarh, Birgaon Raipur - 493221
VIDUSH BHARTIA	Promoter Director	102 Parijat Apt, Fair, Field Layout, Madhav Nagar, 45/1 RaceCourse Road, Bangalore - 560001 Karnataka
SOUTHERN HITECH CAPITAL PVT. LTD.	Promoter	209, Ramanashree Chambersno. 37, Lady Curzon Road Bangalore - 560001
MELBROW COMMERCIAL CO PVT. LTD.	Promoter	209 Ramanashree Chambersno.37 Lady Curzon Road Bangalore Bangalore- 560001

**SCHEME OF AMALGAMATION
OF
EAST INDIA COMMERCIAL CO LTD
WITH
SRI BAJRANG JUTE MILLS PRIVATE LIMITED
UNDER SECTION 230 AND 232 OF THE COMPANIES ACT, 2013**

1. DEFINITIONS

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

- A. *"The Transferor Company"* means EAST INDIA COMMERCIAL CO LTD, a company incorporated under the Companies Act, 1913, having its Registered Office at 1 Old Court House Corner, 4th Floor Kolkata-700 001, in the state of West Bengal;
- B. *"The Transferee Company"* means SRI BAJRANG JUTE MILLS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956; having its Registered Office at 1 Old Court House Corner, Kolkata-700 001 in the state of West Bengal;
- C. *"Act" or "The Act"* means the Companies Act, 2013 or any modifications or re-enactment thereof from time to time;
- D. *"The Appointed Date"* means 1st day of April, 2016 or such other dates as the National Company Law Tribunal, Kolkata Bench or such other competent authority may approve / fix.
- E. *"The Effective Date"* means the later of the following dates or such other dates as the National Company Law Tribunal at Kolkata, may decide.
 - i. The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed; or
 - ii. The date on which certified copies of the Orders of the Hon'ble National Company Law Tribunal at Calcutta are filed with the Registrar of Companies; West Bengal;
- F. *"Undertaking of the Transferor Company"* means and includes:-
 - i. All the properties, assets and liabilities of the Transferor Company immediately before the amalgamation.
 - ii. *"The Assets"* shall mean the undertaking and entire business and all the properties and assets, whether movable or immovable, current assets, capital work-in-progress, investments, powers, authorities, allotments, approvals and consents, licenses, registrations, contracts, engagements, arrangements of all kinds, rights, title, interests, benefits and advantages of whatsoever situate, including but without being limited to all patents, trademarks, trade names and other industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, and all privileges, liberties, easements, lease, tenancy rights, ownership flats, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telexes, E-Mail, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefit of all agreements and all other interest belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company.
 - iii. *"The Liabilities"* shall mean all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date.
- G. *"The Scheme"* means this Scheme of Amalgamation in its present form or with any modification (s) approved or imposed or directed by the Hon'ble National Company Law Tribunal at Calcutta.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal although effective from the Appointed Date, shall become operative from the Effective Date.

3. NATURE OF BUSINESS**i. Nature of Business of the Transferor Company**

The Transferor Company is engaged in the business of Processing and Manufacturing of Jute and Jute Products.

ii. Nature of Business of the Transferee Company

The Transferee Company is engaged in the business of Processing and Manufacturing of Jute and Jute Products.

4. CAPITAL STRUCTURE

As on 31st January, 2017, the Share Capital of the Transferor Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
2,75,000 Equity Shares of Rs.100/- each	2,75,00,000
<i>Preference Shares</i>	
2,50,000 6% Non-Cumulative Redeemable Preference Shares of Rs.100/- each	2,50,00,000
Total	5,25,00,000
<u>Issued, Subscribed and Paid-Up Capital</u>	
<i>Equity Shares</i>	
2,70,674 Equity Shares of Rs.100/- each fully paid-up in cash	2,70,67,400
Total	2,70,67,400

As on 31st January, 2017, the Share Capital of the Transferee Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
2,40,000 Equity Shares of Re.1/- each	2,40,000
<i>Preference Shares</i>	
5,000 11% Preference Shares of Rs.10/- each	50,000
10,00,000 11% Non-Cumulative redeemable Preference Shares of Rs.10/- each	1,00,00,000
Total	2,02,90,000
<u>Issued, Subscribed and Paid-Up Capital</u>	
<i>Equity Shares</i>	
10,00,000 Equity Shares of Rs.10/- each fully paid-up in cash	1,00,00,000
2,40,000 Equity Shares of Re.1/- each fully paid-up in cash	2,40,000
Total	1,02,40,000

5. BACKGROUND AND RATIONALE FOR THE SCHEME

- The businesses carried out by both the Transferor Company and Transferee Company is the same. Therefore, for the purpose of better, efficient and economical management, control and running of the business of the undertaking concerned and/or administrative convenience and to obtain advantages of economics of scale the present scheme is proposed to amalgamate the Transferor Company with the Transferee Company.

- ii. The proposed scheme aims at unlocking a better value for the shareholders of both the Transferor Company and the Transferee Company.
- iii. The Creditors of the Transferor Company and the Transferee Company will not be affected by the Scheme since the assets of the Transferor Company and the Transferee Company (taken together) are more than the liabilities of the Transferor Company and the Transferee Company (taken together).

6. AMALGAMATION OF THE COMPANY

- A. Upon the coming into effect of this scheme and with effect from the Appointed Date all the Assets of the Transferor Company up to the Effective Date, shall, without any further act or deed, be and shall stand transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 and other applicable provisions of the Act, so as to become, as and from the Appointed Date, the assets, properties, estates, rights, title and interests of the Transferee Company.
- B. The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to any existing charges/hypothecations, mortgages or other encumbrance (if any, as may be subsisting) over or in respect of the Assets or any part thereof, provided however that any reference in any security documents or arrangements, to which the Transferor Company is party, to the assets of the Transferor Company which the Transferor Company has offered or agreed to offer as security for any financial assistance or obligations, to the secured creditors of the Transferor Company, shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as is vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage and charge shall not be extended or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.
- C. Without prejudice to Clause B above, it is expressly provided that in respect of such of the Assets, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company with effect from the Appointed Date in pursuance of the provisions of Section 232 of the Act.
- D. In respect of such of the said assets other than those referred to in clause C above, the same shall as more particularly provided in Clause B above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company on the Appointed Date, pursuant to the provisions of Section 232 of the Act.
- E. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the secured creditors of the Transferor Company or in favor of any other party to any contract or agreement to which the Transferor Company is party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- F. On and from the Effective Date, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this scheme has been formally given effect to under such contracts and transactions.
- G. With effect from the Appointed Date, all the liabilities of the Transferor Company shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 232 and other applicable provisions of the Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that 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, duties and obligations have arisen in order to give effect to the provisions of this Clause.

7. COMPLIANCE WITH TAX LAWS

- i. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial

- statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant tax laws (including the Income Tax Act, 1961, or any other tax law), as may be required consequent to the implementation of the Scheme.
- ii. As and from the Effective Date, all 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 and enforced by or against the Transferor Companies. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
 - iii. Any tax liabilities under the Income-tax Act, 1961, Service Tax Laws and / or other applicable laws / regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred or to the account of the Transferee Company.
 - iv. Any refund under the Income-tax Act, 1961, Service Tax Laws and / or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
 - v. All taxes paid or payable by the Transferor Company in respect of the operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax,) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
 - vi. Further, any tax deducted at source by the Transferor Company / Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
 - vii. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by the Transferor Company shall be made or deemed to be made and duly complied with the Transferee Company.
 - viii. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternative tax whether recognized or not, tax deducted at source, service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.
 - ix. Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

8. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, all suits, actions and proceedings of whatsoever nature by or against the Transferor Company, pending and /or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and /or arising against the Transferee Company.

9. CONTRACTS AND DEEDS

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangement or confirmations or

notations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the assets and liabilities of the Transferor Company under clause 6 above, the continuance of Proceedings under clause 8 above and the effectiveness of contracts and deeds under clause 9 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

11. EMPLOYEES

- i. All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on the terms and conditions not in any way less favorable to them than those subsisting with reference to the Transferor Company as the case may be on the said date.
- ii. It is expressly provided that if there is any Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the employees of the Transferor Company or concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever relating to the administration or operation of such scheme or funds or in relation to the obligation to make contributions to the said Schemes or Funds in accordance with the provisions of such Schemes or Funds as per terms provided in the respective Trust Deeds /other documents. To the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Funds/Scheme shall become those of the Transferee Company, it is clarified that the service of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid Funds or provisions.

12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- i. the Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of all the assets of the Transferor Company for and on account of and in trust for the Transferee Company ;
- ii. all the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
- iii. the Transferor Company shall carry on its business and activities until the Effective Date with reasonable diligence, business prudence and shall not without the prior consent of the Transferee Company alienate, charge, mortgage, encumber or otherwise deal with the Said Assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company;
- iv. the Transferor Company shall not, without the prior consent in writing of the Board of Directors of the Transferee Company, undertake any new business ;
- v. save as provided in Sub-clause (vi) below, neither the Transferor Company nor the Transferee Company shall, make any change in their Capital Structure (paid-up Capital), other than changes pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date, except by the mutual consent of the Board of Directors of both the Transferor and Transferee Companies ;
- vi. the Transferee Company is hereby permitted without the consent of the Transferor Companies to take steps for :
The increase of its Authorized Capital, as needs to be enhanced by the provisions of the scheme or pursuant to any existing obligation of the Transferee Company;

13. DIVIDENDS

- i. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends whether interim or final, to their respective shareholders in respect of the financial year prior to the Effective date. The Transferor Company shall obtain the consent of the Board of Directors of the Transferee Company before declaration of any dividend. The Transferor Company and the Transferee Company shall not transfer any amount from the reserves or amounts lying in credit to the Profit & Loss account on the Appointed date for the purpose of payment of dividend.

- ii. It is clarified however that the aforesaid provisions in respect of declaration of dividend are enabling provisions and shall not be deemed to confer any right on any member of the Transferor Company or the Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the Act.

14. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

- i. Increase of authorized share capital of the Transferee Company:
 - a) Upon coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be added to the authorized share capital of the Transferee Company and the authorized share capital of the Transferee Company shall be re-classified (in terms of clause 14.ii. below) without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees.
 - b) Upon coming into effect of the Scheme, Clause 5 of the Memorandum of Association and of the Transferee Company shall without any further act, deed or instrument be substituted as follows:
 Clause no. 5 of the Memorandum of Association of the Transferee Company shall, without any further act, deed or instrument, be substituted by the following clause
 "The Authorized Share Capital of the Company is Rs. 7,27,90,000 (Rupees Seven Crores Twenty Seven Lakhs Ninety Thousand only) divided into 37,50,000 (Thirty Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each, 2,40,000 (Two Lakhs Forty Thousand) Equity Shares of Re. 1/- (Rupee One) each, 5,000 (Five Thousand) 11% Cumulative Preference Shares of Rs. 10/- (Rupees Ten) each, 10,00,000 (Ten Lakhs) 11% Non Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each and 2,50,000 (Two Lakhs Fifty Thousand) 6% Non-Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred) each with the power to increase or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the regulations of the Company to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."
- ii. It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Sections 13, 61 and other applicable provisions (to the extent notified and in effect) of the Companies Act, 2013 for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company as above.

15. CONSIDERATION

- i. Upon the Scheme becoming effective and in consideration of the transfer and vesting of the undertakings of the Transferor Company in the Transferee Company in terms of the scheme, the Transferee Company shall, without any further application, act or deed, issue and allot Equity shares to the shareholders of the Transferor Company as follows:-
 30 (Thirty) New Equity Shares of Rs. 10/- (Rupees Ten only) each in the Transferee Company credited as fully paid up for every 5 (Five) Equity Share of Rs. 100/- (Rupees Hundred only) each held by them in the capital of Transferor Company. It expressly clarified that holder of any further equity shareholders of the Transferor Company after the transfer Date and prior to sanction of the Scheme shall also be entitled to share in Transferee Company In the Same Ratio as above.
- ii. In the event of Equity Shares of the Transferor Company, held by the Transferee Company, the same shall be cancelled and shall be deemed to be cancelled without any further act or deed and no shares of Transferee Company are required to be issued in lieu thereof.
- iii. No fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the Equity Shares by the Transferee Company in accordance with this scheme. If any Equity Shareholder of the Transferor Company have a shareholding such that such member become entitled to a fraction of a New Equity Share, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and shall without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a Director or an officer of the Transferee Company on the express understanding that such Director or Officer to whom such Equity Shares be allotted shall sell the same in the market at the best available price and pay to the Transferee Company, the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceed to the members of the Transferor Company in proportion to their fractional entitlements.

- iv. The Equity Shares of the Transferee Company to be issued and allotted to the shareholders of the Transferor Company as provided in clause hereinbefore shall rank pari passu on proportionate basis in all respects with the existing Equity Shares having regard to their Face Value in Transferee Company including proportionate entitlements to dividend in respect of dividends declared after the Effective date.
- v. Upon this Scheme becoming effective, all the shareholders of the Transferor Company if so required by the Transferee Company shall surrender their Share Certificates for cancellation thereof to the Transferee Company. Upon the new shares in the Transferee Company being issued and allotted by the Transferee Company to the Shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company, the share certificates in relation to those Shares held by them in the Transferor Company shall be deemed to have been automatically cancelled and be of no effect on and from such record date, and the Transferee Company may at its sole discretion instead of requiring the surrender of the share certificates as above directly issue and dispatch the new share certificate of the Transferee Company in lieu thereof.

16. DISSOLUTION OF THE TRANSFEROR COMPANY

- i. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties.
- ii. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

17. ACCOUNTING TREATMENT

The following Accounting Treatment shall be made in accordance with accounting Standard 14 issued by the ICAI or any amendment /modification thereof.

- i. The Transferee Company shall follow the 'pooling of interest' method of accounting for the amalgamation as per Accounting Standard – 14 prescribed by Companies (Accounting Standards) Rules, 2006.
- ii. All assets & Liabilities, including Reserves of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in same form.
- iii. Upon coming into effect of this Scheme, to the extent that there are inter Company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubts, it is clarified that in view of the above there would be no accrual of interest or other charges in respect of any such inter Company loans, advances, deposits balances or other obligations.
- iv. Notwithstanding the above the Board of Directors of the Transferee Company is authorized to account any balances in any manner whatsoever as may be deemed fit subject to Accounting Standard 14 as stated above.
- v. Upon coming in to effect of the Scheme to the Appointed Date, the authorized share capital of the respective Transferor Company be treated as a part & parcel of the Authorized Capital of the Transferee Company and the said authorized capital of the Transferor Company be added to the Authorized Share Capital of the Transferee Company.
- vi. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

18. APPLICATIONS TO THE NATIONAL COMPANY LAW TRIBUNAL

The Transferor Company and the Transferee Company (if required) shall, with all reasonable dispatch, make applications to the National Company Law Tribunal, Kolkata Bench, for sanctioning this Scheme for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

19. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

20. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- i. The Transferor Company and the Transferee Company may make or assent from time to time on behalf of all persons concerned to any modifications or amendments to this Scheme or to any conditions or limitations which the National Company Law Tribunal at Kolkata and / or any authorities under law may deem fit to approve or direct or impose or which may otherwise be considered necessary and to resolve all doubts or difficulties that may arise for implementing and/or carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect. Their respective Board of Directors may exercise the aforesaid powers of the Transferor Company and the Transferee Company, or any Committee of Directors constituted in that behalf by the concerned Board.
- ii. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, that the Board of Directors of the Transferee Company or any person authorized by the Board in that behalf may give and is authorized to give all such directions as are necessary or desirable including directions for settling or removing any question of doubt or difficulty that may arise with regard to the issue and allotment of the said shares, as they may think fit and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

21. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is specifically conditional upon and subject to:-

- a) sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required ;
- b) approval of an agreement to the Scheme by the requisite majorities of members or such classes of persons of the Transferor Company and the Transferee Company as may be directed by the National Company Law Tribunal, Kolkata Bench on the applications made for directions under Section 230 read with Section 232 of the Act;
- c) the requisite Resolutions under the applicable provisions of the Act being passed by the Shareholders of the Transferor Company and the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary;
- d) the sanction of the National Company Law Tribunal, Kolkata Bench being obtained, on behalf of the Transferor Company and the Transferee Company;
- e) there will not be any change in the name of the Transferee Company merely by reason of the Scheme coming into effect.

22. COSTS

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company.

23. REVOCATION OF THE SCHEME

In the event of any of the said sanctions and approvals referred to in clause 21 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors, including any committee or sub-committee thereof, of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.



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Dated: 25th February, 2017

The Board of Directors

East India Commercial Co Ltd

1 Old Court House Corner, 4th Floor Kolkata-700 001

The Board of Directors

Sri Bajrang Jute Mills Private Limited

1 Old Court House Corner, 4th Floor Kolkata-700 001

Sub: Recommendation of fair exchange ratio for the proposed merger of East India Commercial Co Ltd into Sri Bajrang Jute Mills Private Limited (the "Transaction")

Dear Sirs,

We refer to the engagement letter dated 1st February, 2017 wherein we have been requested to recommend an exchange ratio for the proposed merger of East India Commercial Co Ltd (EICCL) into Sri Bajrang Jute Mills Private Limited (SBJMPL).

EICCL and SBJMPL are collectively referred to as "Companies" in this report.

SCOPE AND PURPOSE OF REPORT

Both the Companies are engaged in business of Processing and Manufacturing of Jute and Jute Products. EICCL is an unlisted public company. SBJMPL is a private company.

SBJMPL is an Associate Company of EICCL with the latter holding 44.90% Equity Shares in value in the former.

We understand that the Managements of EICCL and SBJMPL are proposing to merge EICCL into SBJMPL, with effect from Appointed Date 1st April, 2016. It is proposed to be achieved by a separate Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme of Amalgamation"). As part of the proposed merger, EICCL would be merged with SBJMPL and cease to exist. We understand from the management that the shareholders of EICCL will be issued shares of SBJMPL as consideration for the proposed merger of EICCL in SBJMPL.

For the aforesaid purpose, the Managements of both the Companies have appointed us to prepare a valuation report on the fair exchange ratio for distribution of SBJMPL shares to the shareholders of EICCL, to be placed before the members of the Company.

This report is our deliverable for the above engagement.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the documents referred to herein.

SOURCES OF INFORMATION

In connection with this exercise, we have received the following information from the Management of EICCL and SBJMPL:

- Annual Report of EICCL and SBJMPL for the years ended March 31, 2012 to March 31, 2016.
- Discussions with the Managements of the Companies in connection with the operations of the Companies, future plans and prospects, including capital expenditure, taxation related and litigation matters;
- Valuation Reports of Land and Buildings prepared by Registered Valuers.
- Information and documents as provided by the Companies for the purpose of this engagement.

We have also obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Companies. The Companies have been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) for this engagement to make sure that factual inaccuracies are avoided in our report.

SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This report, its content and the results herein are specific to

- the purpose of valuation agreed as per the terms of our engagement;
- the date of this report
- are based on the balance sheets at March 31, 2016 of the Companies

In accordance with the terms of our engagement we have assumed and relied upon the accuracy of information made available to us by the Companies. In accordance with our Engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements and valuation reports provided by registered valuers. Also, with respect to explanations and information sought from Companies, we have been given to understand by the Companies that they have not omitted any relevant or material factors and that they have checked the relevance and materiality of any specific information to the present exercise with us in case of any doubt.. Our conclusions are based on the assumptions and information given by the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly we assume no responsibility for any errors in the furnished y the Companies and their impact on the report. However nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base our report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our enquiries could have verified any matter, which a more extensive examination might disclose.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefit arising out of the same. Similarly, it does not address the relative merits of the transactions as compared with any other alternative business transaction/ alternatives or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore no responsibility is assumed for matters of a legal nature.

For valuing Land and Buildings of the Companies, External Valuers, i.e. Registered Valuers Report have been considered. For other assets and liabilities of the Companies, the book values have been considered as representative of their intrinsic value in the absence of any report of external valuers for such assets and liabilities.

The fee for the engagement is not contingent upon the results reported.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Amalgamation, without our prior consent. We express no opinion as to whether the shareholders and/ or creditors of either Company should provide their assent or not to the Transaction.

BACKGROUND OF EICCL AND SBJMPL

East India Commercial Co Ltd (EICCL)

EICCL is an unlisted public limited company engaged in the business of Processing and Manufacturing of Jute and Jute Products.

EICCL has its Registered Office at 1 Old Court House Corner, 4th Floor Kolkata-700 001. As per the audited standalone financial result for the year ended 31st March, 2016, EICCL's total revenue was Rs. 326.87 Crores and profit after tax was Rs. 13.35 Crores.

The issued, subscribed and paid up Equity Share Capital of the Company as on 31st March, 2016 is Rs. 2,70,67,400 consisting of 2,70,674 Equity Shares of Rs.100/- each fully paid-up in cash held as follows

Shareholders	Shareholding(%)
Indian Promoters	99.82
Total Promoter	99.82
Non Promoter (Non Institution)	0.18
Total Non Promoter	0.18
TOTAL PROMOTER & NON PROMOTER	100

Sri Bajrang Jute Mills Private Limited (SBJMPL)

SBJMPL is a private limited company engaged in the business of Processing and Manufacturing of Jute and Jute Products.

SBJMPL has its Registered Office at 1 Old Court House Corner, Floor Kolkata-700 001. As per the audited standalone financial result for the year ended 31st March, 2016, SBJMPL's total revenue was Rs. 93.85 Crores and loss after tax was Rs. 14.03 Crores.

The issued, subscribed and paid up Equity Share Capital of the Company as on 31st March, 2016 is Rs. 1,02,40,000 consisting of 10,00,000 Equity Shares of Rs.10/- each fully paid-up in cash and 2,40,000 Equity Shares of Rs.1/- each fully paid-up in cash held as follows

Shareholders	Shareholding(%)
Indian Promoters	97.65
Total Promoter	97.65
Non Promoter (Non Institution)	2.35
Total Non Promoter	2.35
TOTAL PROMOTER & NON PROMOTER	100

APPROACH – BASIS OF AMALGAMATION

The proposed merger scheme contemplates the merger of EICCL into SBJMPL pursuant to the scheme of Amalgamation under section 230 to 232 of the Companies Act, 2013 ("Scheme of Amalgamation"). Arriving at the fair exchange ratio for the proposed merger of EICCL into SBJMPL would require determining the fair value of equity shares of EICCL in terms of the fair value of equity shares of SBJMPL. These values are to be determined independently but on a relative basis, and without considering the current transaction.

Among the several method available for determining the fair exchange ratio, Net Asset Value Method is most suitable because

- EICCL is unlisted public limited company and SBJMPL is a private limited company. Hence there is no published market price for the shares.
- The Fixed Asset base of both the Companies is very strong and delivers to a good extent in valuation of the Companies.

In the valuation done:

- **Market Values** have been considered for Land & Buildings. The Valuation Report of Registered Valuers has been taken into consideration.
- For other Assets & Liabilities, **Book Values** have been considered.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we consider that the fair exchange ratio of equity shares for the merger of EICCL into SBJMPL should be ratio of 30 (Thirty) Equity Shares of SBJMPL of Rs. 10/- each fully paid up for every 5 (Five) Equity Share of Rs. 100/- each fully paid up of EICCL.



Place: Kolkata
Dated: 25th February, 2017

For K. Gulgia & Co
Chartered Accountants
Registration No. 328690E
Khushboo Gulgia
Sd/-
Khushboo Gulgia
Proprietor
Membership No.: 306808

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH ('NCLT') CONVENED MEETING OF THE SECURED CREDITORS OF EAST INDIA COMMERCIAL CO LTD ('TRANSFEROR COMPANY')

CIN : U51109WB1941PLC010409
 Name of the company : EAST INDIA COMMERCIAL CO LTD
 Registered office : 1 old Court House Corner, 4th Floor, Kolkata – 700 001

Name of the Secured Creditor :

E- mail ID:

Address :

Folio No/ Client ID /DP ID:

I/We, being the Secured Creditor of EAST INDIA COMMERCIAL CO LTD, hereby appoint

(1) Name : _____ Address : _____
 E-mail id : _____ Signature : _____ or failing him/her

(2) Name : _____ Address : _____
 E-mail id : _____ Signature : _____ or failing him/her

(3) Name : _____ Address : _____
 E-mail id : _____ Signature : _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the NCLT convened Meeting of the Secured Creditor of the company, to be held on the 21st day of September, 2017 At 4.00 P.M. at the Registered Office of the Company at 1 Old Court House Corner, 4th Floor Kolkata – 700 001, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Optional	
		For	Against
1.	To approve proposed scheme of Amalgamation between EAST INDIA COMMERCIAL CO LTD ('Transferor Company') and SRI BAJRANG JUTE MILLS PRIVATE LIMITED ('Transferee Company')		

Signed this.....day of..... 2017

Signature of Secured Creditor _____

Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy need not be Secured Creditor of the Company.

Please
Affix
Revenue
Stamp of
1/- here

EAST INDIA COMMERCIAL CO LTD
1, Old Court House Corner, Kolkata – 700 001

ATTENDANCE SLIP

**HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH ('NCLT') CONVENED
MEETING OF THE SECURED CREDITORS OF EAST INDIA COMMERCIAL CO LTD
(TRANSFEROR COMPANY')**

I/We, hereby record my or our presence at the NCLT convened Meeting of the Secured Creditors of EAST INDIA COMMERCIAL CO LTD on the 21st day of September, 2017 At 4.00 P.M. at the Registered Office of the Company at 1 Old Court House Corner, 4th Floor Kolkata – 700 001, for the purpose of considering and if though fit, with or without modification(s), approve and pass resolution in connection therewith as in the notice for approval of the proposed Scheme of Amalgamation of EAST INDIA COMMERCIAL CO LTD ('Transferor Company') with SRI BAJRANG JUTE MILLS PRIVATE LIMITED ('Transferee Company')

Name and Address of Secured Creditor	
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Proxy's Name in Block Letters

Secured Creditor/Proxy's Signature

Note: Please bring the Attendance Slip duly signed to the meeting and hand it over at the Entrance of the Meeting Venue. Duplicate slips will not be issued at the venue of the meeting