JAY SHREE TEA & INDUSTRIES LIMITED

Registered & Head Office : "Industry House" (15th floor), 10 Camac Street, Kolkata – 700017

MEETING OF THE EQUITY SHAREHOLDERS

Date: 8TH June, 2011

Time: 10:30 a.m.

Venue: "Kala Kunj"
48, Shakespeare Sarani
Kolkata 700 017

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Company Application No.464 of 2011
In the High Court at Calcutta
Original Jurisdiction

In the Matter of :

The Companies Act, 1956.

And

In the Matter of :

An application under Sections 391(1) and 393 of the said Act.

And

In the Matter of :

M.P. Chini Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017, within the aforesaid jurisdiction

And

Parvati Tea Company Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017, within the aforesaid jurisdiction

And

Jay Shree Tea & Industries Limited, an existing Company within the meaning of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017, within the aforesaid jurisdiction.

1. M.P. Chini Industries Limited
2. Parvati Tea Company Private Limited
3. Jay Shree Tea & Industries Limited

..... Applicants.

NOTICE CONVENING MEETINGS

To

The Equity Shareholders of M.P. Chini Industries Limited;
The Equity Shareholders of Parvati Tea Company Private Limited; and
The Equity Shareholders of Jay Shree Tea & Industries Limited.

TAKE NOTICE that by an order made on the 2nd day of May, 2011, the Hon'ble High Court at Calcutta has directed that separate meetings of the Equity Shareholders of M.P. Chini Industries Limited, being the Applicant Company No.1 abovenamed (hereinafter referred to as "MPCIL"), Parvati Tea Company Private Limited, being the Applicant Company No.2 abovenamed (hereinafter referred to as "PTCPL") and Jay Shree Tea & Industries Limited, being the Applicant Company No.3 abovenamed (hereinafter referred to as "JSTIL") be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017 on Wednesday, the 8th day of June, 2011 at the respective times mentioned hereinbelow for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation and Arrangement between MPCIL, PTCPL and JSTIL and their respective shareholders:-

(a) Meeting of the Equity Shareholders of MPCIL at 10.00 a.m.;

(b) Meeting of the Equity Shareholders of PTCPL at 10.15 a.m.; and

(c) Meeting of the Equity Shareholders of JSTIL at 10.30 a.m.

TAKE FURTHER NOTICE that in pursuance of the said order, separate meetings of the Equity Shareholders of MPCIL, PTCPL and JSTIL will be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017 on Wednesday, the 8th day of June, 2011 at the respective times mentioned hereinbelow when the concerned shareholders are requested to attend:

(a) Meeting of the Equity Shareholders of MPCIL at 10.00 a.m.;

(b) Meeting of the Equity Shareholders of PTCPL at 10.15 a.m.; and

(c) Meeting of the Equity Shareholders of JSTIL at 10.30 a.m.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting or meetings, as the case may be, in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the respective Applicant Companies, as aforesaid, not later than 48 hours before the respective meeting.

The Court has appointed :

(a) Mr. Rajarshi Raichoudhury, Advocate, and failing him, Ms. Mousumi Chakraborty, be the Chairperson of the said meeting of the Equity Shareholders of MPCIL;

(b) Mr. Satarup Banerjee, Advocate, and failing him, Mr. Rajarshi Raichoudhury, Advocate to be the Chairperson of the said meeting of the Equity Shareholders of PTCPL; and

(c) Ms. Mousumi Chakraborty, Advocate, and failing her Mr. Rajarshi Raichoudhury , to be the Chairperson of the said meeting of the Equity Shareholders of JSTIL.

A copy each of the said Scheme of Amalgamation and Arrangement, the Statement under Section 393 of the Companies Act, 1956 and a form of Proxy is enclosed herewith.

Dated this 6th day of May, 2011.

Sd/- Rajarshi Raichoudhury

Sd/- Satarup Banerjee

Sd/- Mousumi Chakraborty

CHAIRPERSONS APPOINTED FOR THE MEETINGS

Note: All alterations made in the form of proxy should be initialed.

Drawn by :
For Khaitan & Co
Sd/-
(Trivikram Khaitan)
Advocates on Record for the Applicants
1B, Old Post Office Street
Kolkata 700 001.

Settled by :
Sd/-
(Mousumi Banerjee)
Assistant Registrar (Company)
High Court, O.S. Calcutta

Company Application No.464 of 2011
In the High Court at Calcutta
Original Jurisdiction

In the Matter of :
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Parvati Tea Company Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017, within the aforesaid jurisdiction

And

Jay Shree Tea & Industries Limited, an existing Company within the meaning of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017, within the aforesaid jurisdiction.

1. M.P. Chini Industries Limited
2. Parvati Tea Company Private Limited
3. Jay Shree Tea & Industries Limited

..... Applicants.

STATEMENT UNDER SECTION 393 OF COMPANIES ACT, 1956

1. The accompanying notice has been sent for convening meetings of the Equity Shareholders of M.P. Chini Industries Limited, being the Applicant Company no.1 abovenamed (hereinafter referred to as "MPCIL"), Parvati Tea Company Private Limited being the Applicant Company no.2 abovenamed (hereinafter referred to as "PTCPL"), and Jay Shree Tea & Industries Limited, being the Applicant Company no.3 abovenamed (hereinafter referred to as "JSTIL") for the purpose of considering, and, if thought fit, approving, with or without modification, the Scheme of Amalgamation and Arrangement proposed to be made between MPCIL, PTCPL and JSTIL and their respective shareholders. The detailed terms and conditions of such amalgamation and arrangement are fully stated in the attached Scheme of Amalgamation and Arrangement.

2. The circumstances and/or reasons and/or grounds that have necessitated and/or justify the said Scheme are, interalia, as follows:-

(a) JSTIL alongwith its nominees acquired the entire paid up equity shares of MPCIL and PTCPL with effect from 1st April, 2010 and as such MPCIL and PTCPL have become wholly owned subsidiary companies of JSTIL.

(b) JSTIL is mainly engaged in the business of cultivation and production of various agricultural products and is also carrying on investment activities in shares and securities.

(c) MPCIL is engaged in the business of cultivation of sugarcane and manufacture and sale of sugar.

(d) PTCPL is having a tea factory, namely Parvati Tea Factory and is engaged in the business of manufacture and sale of tea.

(e) The amalgamation of MPCIL in JSTIL and demerger of Parvati Tea Factory of PTCPL in JSTIL will enable JSTIL to consolidate its presence in agricultural market and emerge as a strong agricultural conglomerate having sizeable presence in tea, sugar and other agriculture products.

(f) The demerger of the Strategic Investment Division of JSTIL to PTCPL will enable optimum growth and development of strategic investments of JSTIL, which requires specialized and independent set up, management control and expertise in as much as the Strategic Investments are not related to the existing business activities of JSTIL.

(g) In order to reorganize the business of PTCPL and for better and more economic and efficient management, control and running of the businesses of the companies concerned, to obtain advantages of economies of scale as also to pool the resources of the companies concerned for growth and development of businesses concerned, it is considered desirable and expedient to amalgamate MPCIL with JSTIL, demerge the Parvati Tea Factory of PTCPL to JSTIL and demerge the Strategic Investment Division of JSTIL to PTCPL, in the manner and on the terms and conditions stated in this Scheme.

(h) The scheme will result in formation of a larger and stronger Agricultural Company with a larger asset base having greater capacity for conducting its operations more effectively and competitively. Further, the scheme will enable optimum growth and development of strategic investments of JSTIL, which can be more effectively managed by PTCPL with undivided care and attention.

(i) The Scheme will accordingly have beneficial results for all the companies, their shareholders, employees and all concerned.

3. Details of the financial position of the Applicant Companies:-

A. MPCIL (Applicant Company No.1):

(a) The Authorised Share Capital of MPCIL is Rs.3,00,00,000/- divided into 30,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of MPCIL is Rs. 2,17,62,700/- divided into 21,76,270 Equity Shares of Rs.10/- each fully paid up..

(b) The Annual Accounts of MPCIL has been audited as at 31st March, 2010. The following summary extracted from the said audited accounts of MPCIL as at 31st March, 2010 indicates the financial position of MPCIL as follows:-

(i) MPCIL does not have any outstanding debentures.

(ii) Apart from the Current Liabilities and Provisions which are incurred and disposed of in the normal course of business, MPCIL had the following liabilities:

	(Amount in Rs.)
Secured Loans	13,21,20,983
Deferred Tax Liability	3,16,23,512
Total	16,37,44,495

(iii)

Paid-up Share Capital	2,17,62,700
Add Reserves & Surplus	23,68,72,546
Net Shareholders' Fund	25,86,35,246
Assets (including Current Assets)	1,14,95,52,363
Less Liabilities (including Current Liabilities and Provisions)	89,09,17,117
Excess of Assets over Liabilities	25,86,35,246

(c) Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of MPCIL, excepting those arising from usual course of business.

B. PTCPL (Applicant Company No.2):

(a) The Authorised Share Capital of PTCPL is Rs.50,00,000/- divided into 5,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of PTCPL is Rs.49,50,000/- divided into 4,95,000 Equity Shares of Rs.10/- each fully paid up

(b) The Annual Accounts of PTCPL has been audited as at 31st March, 2010. The following summary extracted from the said audited accounts of PTCPL as at 31st March, 2010 indicates the financial position of PTCPL as follows:-

(i) PTCPL does not have any outstanding debentures.

(ii) Apart from the Current Liabilities and Provisions which are incurred and disposed of in the normal course of business, PTCPL had the following liabilities:-

	(Amount in Rs.)
Secured Loans	22,13,086
Unsecured Loans	80,29,899
Total	1,02,42,985

(iii)

Paid up Share Capital	49,50,000
Add Reserves & Surplus	57,91,363
	1,07,41,363
Less Miscellaneous Expenses	51,58,880
Net Shareholders' Fund	55,82,483
Assets (including Current Assets)	2,54,44,355
Less Liabilities (including Current Liabilities and Provisions)	1,98,61,872
Excess of Assets over Liabilities	55,82,483

(c) Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of PTCPL, excepting those arising from usual course of business.

C. JSTIL (Applicant Company No.3):

(a) The Authorised Share Capital of JSTIL as at 31st March, 2010 was Rs.26,00,00,000/- divided into 2,60,00,000 Shares of Rs.10/- each. The Issued Share Capital of JSTIL as at 31st March, 2010 was Rs.11,18,69,880/- divided into 1,11,86,988 Equity Shares of Rs.10/- each. The Subscribed and Paid up Share Capital of JSTIL as at 31st March, 2010 was Rs.11,17,43,390/- divided into 1,11,74,339 Equity Shares of Rs.10/- each fully paid up. Subsequently, at an Extra-ordinary general meeting of the shareholders of JSTIL held on 25th June, 2010, each Equity Share of JSTIL having face value of Rs.10/- each has been sub-divided into 2 Equity Shares of the face value of Rs.5/- each. As such, the Authorised Share Capital of JSTIL of Rs.26,00,00,000/- now stands divided into 5,20,00,000 Shares of Rs.5/- each; the Issued Share Capital of JSTIL of Rs.11,18,69,880/- now stands divided into 2,23,73,976 Equity Shares of Rs.5/- each and the Subscribed and Paid up Share Capital of JSTIL of Rs.11,17,43,390/- now stands divided into 2,23,48,678 Equity Shares of Rs.5/- each fully paid up.

(b) The Annual Accounts of JSTIL has been audited as at 31st March, 2010. The following summary extracted from the said audited accounts of JSTIL as at 31st March, 2010 indicates the financial position of JSTIL as follows:-

(i) JSTIL does not have any outstanding debentures.

(ii) Apart from the Current Liabilities and Provisions which are incurred and disposed of in the normal course of business, JSTIL had the following liabilities:-

	(Amount in Rs.'000)
Secured Loans	95,05,54
Unsecured Loans	1,64,58,87
Deferred Tax Liability	10,27,50
Total	2,69,91,91

(iii) Paid up Share Capital	11,17,43
Add Reserves & Surplus	2,06,67,28
Net Shareholders' Fund	2,17,84,71
Assets (including Current Assets)	5,86,70,77
Less Liabilities (including Current Liabilities and Provisions)	3,68,86,06
Excess of Assets over Liabilities	2,17,84,71

(c) Subsequent to the date of the aforesaid audited accounts, save as change in Authorised, Issued, Subscribed and Paid up Share Capital as indicated in sub-paragraph (a) above, there has been no other substantial change in the financial position of JSTIL, excepting those arising from usual course of business.

4. Salient features of the Scheme:-

The salient features of the Scheme of Amalgamation and Arrangement are summarised for your convenience as follows :-

(a) The Scheme shall be effective on the 1st day of April, 2010. Provided that in respect of the amalgamation of MPCIL with JSTIL under this Scheme, the appointed date shall mean the 1st day of October, 2010, being the commencement of sugar season.

(b) Pursuant to the Scheme and pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, (a) MPCIL shall stand amalgamated with JSTIL; (b) the Parvati Tea Factory of PTCPL shall stand demerged to JSTIL; and (c) the Strategic Investment Division of JSTIL shall stand demerged to PTCPL. Accordingly, (a) the Undertaking of MPCIL, as defined in the Scheme, shall stand transferred to and vest in or be deemed to be transferred to and vest in JSTIL, (b) the Parvati Tea Factory of PTCPL, as defined in the Scheme, shall stand transferred to and vested in or deemed to have been transferred to and vested in JSTIL; and (c) the Strategic Investment Division of JSTIL, as defined in the Scheme, shall stand transferred to and vested in or deemed to have been transferred to and vested in PTCPL as a going concern without any further act, deed, matter or thing

(c) On and from the date the Scheme becomes effective:

a. all the employees of MPCIL shall become the employees of JSTIL on the same terms and conditions, without any interruption or break in service;

b. all the employees of the Parvati Tea Factory of PTCPL shall become the employees of JSTIL on the same terms and conditions, without any interruption or break in service; and

c. all the employees of the Strategic Investment Division of JSTIL shall become the employees of PTCPL on the same terms and conditions, without any interruption or break in service.

(d) On and from the date the Scheme becomes effective:

a. if any suits, actions and proceedings of whatsoever nature by or against MPCIL are pending on the date the Scheme becomes effective, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Scheme, but the proceedings may be continued and enforced by or against JSTIL as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against MPCIL if the Scheme had not been made;

b. if any suits, actions and proceedings of whatsoever nature by or against the Parvati Tea Factory of PTCPL are pending on the date the Scheme becomes effective, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Scheme, but the proceedings may be continued and enforced by or against JSTIL as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against PTCPL pertaining to the Parvati Tea Factory if the Scheme had not been made; and

c. if any suits, actions and proceedings of whatsoever nature by or against the Strategic Investment Division of JSTIL are pending on the date the Scheme becomes effective, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Scheme, but the proceedings may be continued and enforced by or against PTCPL as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against JSTIL pertaining to the Strategic Investment Division if the Scheme had not been made.

(e) Upon sanction of the Scheme and without any further application or deed:

a. JSTIL shall, in consideration of merger, issue and allot to the members of MPCIL holding fully paid-up equity shares in MPCIL 3 (Three) Equity Shares of Rs.5/- each in JSTIL credited as fully paid up (hereinafter referred to as the **"New Equity Shares"**) for every 1 (One) Equity Share of Rs.10/- each fully paid up held by them in the capital of MPCIL;

b. PTCPL shall, in consideration of transfer of Strategic Investment Division of JSTIL to PTCPL and transfer of Parvati Tea Factory of PTCPL to JSTIL, issue and allot 5,00,000 Equity Shares of Rs.10/- each amounting to Rs.50.00 lakhs (hereinafter referred to as the **"New PTCPL Equity Shares"**)

(f) The New Equity Shares of JSTIL and the New PTCPL Equity Shares to be issued and allotted under the Scheme, shall rank pari passu in all respects with the existing equity shares of JSTIL and the existing equity shares of PTCPL respectively.

(g) In so far as equity shares of MPCIL held by JSTIL is concerned (hereinafter referred to as **"JSTIL's Shares"**), JSTIL's Shares shall be allotted to a Board of Trustees to be constituted by JSTIL who shall hold such shares in trust (hereinafter referred to as **"the Trust"**) together with all additions or accretions thereto exclusively for the benefit of JSTIL subject to the powers, provisions, discretions and rights contained in the instrument (hereinafter referred to as **"the Trust Deed"**), establishing the aforesaid trust. The Trustees shall not exercise any voting rights with respect to JSTIL's Shares. The Trustees shall sell JSTIL's Shares in open market or by private negotiations in one or more lots at such price or prices and in such manner as they shall think fit and proper and remit the net sale proceeds to JSTIL and consequent thereto all obligations of the trustees under the Trust Deed shall stand discharged and the Trust shall be terminated.

(h) With effect from the Appointed Date and until the said Scheme is sanctioned (a) MPCIL shall carry on and be deemed to have carried on its businesses and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for JSTIL; (b) PTCPL shall carry on and be deemed to have carried on the business and activities of Parvati Tea Factory of PTCPL and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for JSTIL; and (c) JSTIL shall carry on and be deemed to have carried on the business and activities of Strategic Investment Division of JSTIL and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for PTCPL.

(i) a) An account shall be taken of the assets and liabilities of MPCIL to be transferred to JSTIL under this Scheme as on a date immediately preceding the Appointed Date. The value of land, agriculture farms, buildings and plant & machineries of MPCIL shall be taken at Rs.112.00 crore being the market value in respect thereof. The value of all other assets and liabilities of MPCIL including Capital Work in Progress shall be taken at values as appearing in the books of MPCIL, save and except investments in unlisted entities which have not been disposed off till the date of filing of the Scheme and is to be written off as part of the scheme.

b) An Account as on the Appointed Date shall be taken of the assets and liabilities of PTCPL consequent to the reconstruction and transfer of the Parvati Tea Factory from PTCPL to JSTIL under the Scheme. All assets and liabilities of the Parvati Tea Factory, including Loans and Advances together with the liabilities on account of Secured/Unsecured Loans and other borrowings shall be transferred to JSTIL and recorded in the books of account of JSTIL at their respective book values in which they appear in the books of accounts of PTCPL, save and except the value of fixed assets which shall be taken at Rs.300 lacs, being the market value.

c) An account as on the Appointed Date shall be taken of the assets and liabilities of the Strategic Investment Division of JSTIL to be demerged into PTCPL under the Scheme at the value appearing in the books of JSTIL.

d) The difference between the value of net assets of MPCIL to be taken over by JSTIL pursuant to amalgamation and the amount of share capital to be issued and allotted by JSTIL under this Scheme shall be credited in the books of JSTIL as Reserve as per the applicable Accounting Standards.

e) The net value of Strategic Investment Division transferred from JSTIL to PTCPL after reduction of net value of Parvati Tea Factory transferred from PTCPL to JSTIL and the New PTCPL Equity Shares issued to JSTIL in terms of the Scheme shall, be treated as Reserve(s) in the books of account of PTCPL.

f) The difference between the value of assets and liabilities of Parvati Tea Factory transferred from PTCPL to JSTIL in terms of the Scheme and the net value of Strategic Investment Division transferred from JSTIL to PTCPL in terms of the Scheme shall, be treated as Investments in the books of account of JSTIL

(j) MPCIL shall stand dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.

5. The Board of Directors of all the Applicant Companies, have, at their respective meetings, by resolutions passed unanimously, approved the said Scheme of Amalgamation and Arrangement.

6. Shri D.P. Maheshwari is a director of MPCIL and PTCPL and Managing Director of JSTIL. Shri P.K. Agrawal and Shri R.K. Ganeriwala are directors of both MPCIL and PTCPL. The following directors of the Applicant Companies hold the following shares in the Applicant Companies:

Name of Director	No. of Shares held in MPCIL	No. of Shares held in PTCPL	No. of Shares held in JSTIL
Directors of MPCIL			
D.P. Maheshwari	1 (*)	100 (*)	8,000
R.K. Ganeriwala	1 (*)	100 (*)	Nil
P.K. Agrawal	1 (*)	100 (*)	Nil
R.N. Sharma	Nil	Nil	Nil
Suraj Agarwal	Nil	Nil	Nil
D.C. Khandelwal	Nil	Nil	Nil
Directors of PTCPL			
D.P. Maheshwari	1 (*)	100 (*)	8,000
R.K. Ganeriwala	1 (*)	100 (*)	Nil
P.K. Agrawal	1 (*)	100 (*)	Nil
Directors of JSTIL			
B.K. Birla	Nil	Nil	46,000
B.M. Khaitan	Nil	Nil	200
G.P. Goenka	Nil	Nil	600
S.S. Kothari	Nil	Nil	4,600
S.K. Tapuriah	Nil	Nil	568
Smt. Jayshree Mohta	Nil	Nil	7,51,315
Vikash Kandoi	Nil	Nil	1,126
D.P. Maheshwari	1 (*)	100 (*)	8,000

The shares held by the Directors in the respective companies as indicated against the asterisk (*) mark above are held by them as nominees for the respective holding company of the said companies.

Save as aforesaid, none of the directors of the Applicant Companies have any other material interest in the proposed Scheme of Amalgamation and Arrangement.

7. The aggregate assets of the Applicant Companies are more than sufficient to meet their aggregate liabilities. Moreover the aggregate assets of the Parvati Tea Factory of PTCPL and the Strategic Investment Division of JSTIL are more then sufficient to meet the respective aggregate liabilities. The said Scheme will not adversely affect the rights of any of the creditors of the Applicant Companies in any manner whatsoever as due provisions have been made for payment of all liabilities as and when the same fall due in usual course.

8. There are no proceedings pending under Sections 235 to 251 of the Companies Act, 1956 against any of the Applicant Companies.

9. The exchange ratio of shares of the Applicant Companies has been fixed on a fair and reasonable basis and on the basis of the Valuation Report prepared by Messrs Salarpuria & Partners, Chartered Accountants. The Applicant Companies have also obtained fairness report of Messrs Kam Merchant Bankers Limited, Merchant bankers.

10. The shares of JSTIL are listed in the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Association Limited. As per Clause 24(f) of the Listing Agreement, JSTIL has filed a copy of the Scheme before the said Stock Exchanges. The National Stock Exchange of India Limited, vide its letter dated 9.3.2011 and the Bombay Stock Exchange Limited, vide its letter dated 24.3.2011 have given their 'no-objection' to the said Scheme.

11. The share capital structure and the shareholding pattern of JSTIL are given below:

A. Share Capital Structure:

Pre-Arrangement:

AUTHORISED SHARE CAPITAL:	(Rs.)
5,20,00,000 Shares of Rs. 5/- each.	26,00,00,000
ISSUED SHARE CALPITAL :	(Rs.)
2,23,73,976 Equity Shares of Rs. 5/- each.	11,18,69,880
SUBSCRIBED AND PAID UP SHARE CAPITAL:	(Rs.)
2,23,48,678 Equity Shares of Rs. 5/- each fully paid up.	11,17,43,390

Post-Arrangement :

AUTHORISED SHARE CAPITAL :	
5,80,00,000 Shares of Rs. 5/- each.	29,00,00,000
ISSUED SHARE CAPITAL :	(Rs.)
2,89,02,786 Equity Shares of Rs. 5/- each.	14,15,13,930
SUBSCRIBED AND PAID UP SHARE CAPITAL :	
2,88,77,488 Equity Shares of Rs. 5/- each fully paid up.	14,43,87,440

B. Shareholding pattern:

The shareholding pattern of JSTIL pre and post arrangement is as under:

Sl.	Category of Shareholder	PRE- ALLOTMENT			POST ALLOTMENT		
		No. of Share-holders	Total No. of Shares	Percent-age(%)	No. of Share-holders	Total No. of Shares	Percent-age(%)
A	**Shareholding of Promoter & Promoter Group**						
	1 Indian						
	a Individuals/ Hindu Undivided Family	5	818205	3.66	5	818205	2.84
	b Central/ state Government(s)	-	-	-	-	-	-
	c Bodies Corporate	7	7944076	35.55	7	7944076	27.51
	d Financial Institutions/ Banks	-	-	-	-	-	-
	e Any Other (specify)- Trust	3	353616	1.58	4	6882426	23.83
	Sub- Total (A)(1)	**15**	**9115897**	**40.79**	**16**	**15644707**	**54.18**
	2 Foreign						
	a Individuals (Non-Resident Individuals/ Foreign individuals)	-	-	-	-	-	-
	b Bodies Corporate	-	-	-	-	-	-
	c Institutions	-	-	-	-	-	-
	d Any Other (Specify)	-	-	-	-	-	-
	Sub- Total (A)(2)	-	-	-	-	-	-
	Total shareholding of Promoter and Promoter Group A=(A1+A2)	**15**	**9115897**	**40.79**	**16**	**15644707**	**54.18**

Sl.	Category of Shareholder	PRE- ALLOTMENT			POST ALLOTMENT		
		No. of Share-holders	Total No. of Shares	Percent-age(%)	No. of Share-holders	Total No. of Shares	Percent-age(%)
B	**Public Shareholding**						
	1 Institutions						
	a Mutual Funds/ UTI	4	293900	1.32	4	293900	1.02
	b Financial Institutions/ Banks	33	679180	3.03	33	679180	2.35
	c Central/ state Government(s)	-	-	-	-	-	-
	d Venture Capital Funds	-	-	-	-	-	-
	e Insurance Companies	-	-	-	-	-	-
	f Foreign Institutional Investors	7	2301446	10.30	7	2301446	7.97
	g Foreign Venture Capital Investors	-	-	-	-	-	-
	h Any Other (specify)	-	-	-	-	-	-
	Sub- Total (B)(1)	**44**	**3274526**	**14.65**	**44**	**3274526**	**11.34**
	2 Non Institutions						
	a Bodies Corporate	762	2583416	11.56	762	2583416	8.94
	b Individuals						
	i Individual Shareholders holding nominal Sharecapital upto Rs. 1 Lakh	17796	4859572	21.75	17796	4859572	16.83
	ii Individual Shareholders holding nominal Sharecapital in excess of Rs. 1 Lakh	15	831041	3.72	15	831041	2.88
	c Any Other (Specify) NRI	331	179282	0.80	331	179282	0.62
	OCB	3	1504944	6.73	3	1504944	5.21
	Sub- Total (B)(2)	**18907**	**9958255**	**44.56**	**18907**	**9958255**	**34.48**
	Total Public Share holding B=(B1+B2)	**18951**	**13232781**	**59.21**	**18951**	**13232781**	**45.82**
	Total (A+B)	**18966**	**22348678**	**100**	**18967**	**28877488**	**100**
	Shares held by Custodians & against which Depository Receipts have been issued.	-	-	-	-	-	-
	1 Promoter and promoter Group	-	-	-	-	-	-
	2 public	-	-	-	-	-	-
	Sub Total (C)	-	-	-	-	-	-

12. Copies of the following documents are open for inspection at the registered office of the respective Applicant Companies between 11.00 A.M. and 1.00 P.M. on any working day:-

a) Memorandum & Articles of Association of the Applicant Companies;

(b) Annual Reports and Accounts of the Applicant Companies for the financial year ended on 31st March, 2010;

(c) Register of Directors' Shareholdings of the Applicant Companies; and

(d) Report of Messrs Salarpuria & Partners, Chartered Accountants in respect of exchange ratio of shares and Messrs Karn Merchant Bankers Limited, Merchant bankers in respect of fairness of the exchange ratio of shares.

(e) Scheme of Amalgamation and Arrangement.

Drawn by :
For Khaitan & Co
Sd/-
(Trivikram Khaitan)
Advocates on Record for the Applicants
1B, Old Post Office Street
Kolkata 700 001.
Settled by :
Sd/-
(Mousumi Banerjee)
Assistant Registrar (Company)
High Court, O.S. Calcutta.

SCHEME OF AMALGAMATION AND ARRANGEMENT
(UNDER SECTION 391 & 394 OF THE COMPANIES ACT, 1956)
BETWEEN
M.P. CHINI INDUSTRIES LIMITED
AND
PARVATI TEA COMPANY PRIVATE LIMITED
AND
JAY SHREE TEA & INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

PART – I
(PRELIMINARY)

1. **DEFINITIONS:**

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

1.1 **"Act"** means the Companies Act, 1956.

1.2 **"Appointed Date"** means the 1st day of April, 2010. Provided that in respect of the amalgamation of MPCIL with JSTIL under this Scheme, the appointed date shall mean the 1st day of October, 2010, being the commencement of sugar season.

1.3 **"Effective Date"** means the date when the certified copies of the Order sanctioning this Scheme is filed by MPCIL, PTCPL and JSTIL with the Registrar of Companies, West Bengal as indicated in Clause 26.

1.4 **"High Court"** means the Hon'ble High Court at Calcutta.

1.5 **"JSTIL"** means Jay Shree Tea & Industries Limited, a company incorporated under the provisions of the Indian Companies Act, 1913 and an existing Company within the meaning of the Act and having its registered office at Industry House , 10 Camac Street, Kolkata 700017 in the State of West Bengal.

1.6 **"MPCIL"** means M.P. Chini Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017 in the State of West Bengal.

1.7 **"PTCPL"** means Parvati Tea Company Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House (15th Floor), 10, Camac Street, Kolkata 700017 in the State of West Bengal.

1.8 **"Parvati Tea Factory"** means and includes:

(i) Parvati Tea Factory of PTCPL situate at P.O. Makum Junction, Dist. Tinsukia – 786170 in the state of Assam and all the assets, properties and benefits of PTCPL in relation thereto; and

(ii) All debts, liabilities, duties and obligations of PTCPL pertaining to the Parvati Tea Factory of PTCPL.

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

1.9 **"Scheme"** means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) approved or directed by the Hon'ble High Court at Calcutta.

1.10 **"Strategic Investment Division"** means and includes all long term investments held by JSTIL in various listed companies of the group companies of JSTIL as on the Appointed Date and the Investment Reserve, if any, against the said investments lying in the books of JSTIL.

1.11 **"Undertaking of MPCIL"** means and includes:

(i) Sugar Mill of MPCIL at P.O. Majhaulia, Dist. West Champaran, Pin – 845454, Bihar and all assets, properties, investments and benefits of MPCIL; and

(ii) All debts, liabilities, duties and obligations of MPCIL.

Without prejudice to the generality of this sub-clause, the Undertaking of MPCIL shall include all the movable and immovable assets and properties, real and personal, corporeal and incorporeal, in possession or reversion, present and contingent, all other assets (whether tangible or intangible) of whatso-ever nature, wheresoever situate, land, buildings, sugar mills, land under sugarcane and other plantations, investments, lease contracts, ownership flats, lease rights, tenancy rights, agency rights, other rights, powers, authorities, allotments, approvals, con-sents, exemptions letters of intent, industrial and other licences, permit, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, and advantages of any nature whatsoever and wheresoever situate of, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by MPCIL, including but without being limited to all patents, patent rights applications, trade marks, trade names, copyrights and other industrial properties and rights of any nature whatsoever and licences, assignments, grants in

respect thereof, privileges, liberties, easements, contracts advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services, of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements including the power purchase agreement, purchase orders, contracts, arrangements, deposits, advances, recoverables and receivables whether from government, semi-government, local authorities or any other customers etc. and all other rights, interests, claims and powers of every kind, nature and description of and arising to MPCIL and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by MPCIL.

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

2. SHARE CAPITAL:

2.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of MPCIL is as under:

AUTHORISED SHARE CAPITAL:	(Rs.)
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000
ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL :	(Rs.)
21,76,270 Equity Shares of Rs. 10/- each fully paid up.	2,17,62,700

2.2. The Authorised, Issued Subscribed and Paid-up Share Capital of PTCPL is as under :

AUTHORISED SHARE CAPITAL :	(Rs.)
5,00,000 Equity Shares of rs. 10/- each.	50,00,000
ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL :	(Rs.)
4,95,000 Equity Shares of Rs. 10/- each fully paid up.	49,50,000

2.3 The Authorised, Issued, Subscribed and Paid-up Share Capital of JSTIL is as under :

AUTHORISED SHARE CAPITAL:	(Rs.)
5,20,00,000 Equity Shares of Rs. 5/- each.	26,00,00,000
ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL :	(Rs.)
2,23,73,976 Equity Shares of Rs. 5/- each.	11,18,69,880
SUBSCRIBED AND PAID UP SHARE CAPITAL :	
2,23,48,678 Equity Shares of Rs. 5/- each fully paid up.	11,17,43,390

3. OBJECTS OF THE SCHEME:

3.1 JSTIL alongwith its nominees acquired the entire paid up equity shares of MPCIL and PTCPL with effect from 1st April, 2010 and as such MPCIL and PTCPL have become wholly owned subsidiary companies of JSTIL.

3.2 JSTIL is mainly engaged in the business of cultivation and production of various agricultural products and is also carrying on investment activities in shares and securities.

3.3 MPCIL is engaged in the business of cultivation of sugarcane, manufacture and sale of sugar.

3.4 PTCPL is having a tea factory, namely Parvati Tea Factory and is engaged in the business of manufacture and sale of tea.

3.5 The amalgamation of MPCIL in JSTIL and demerger of Parvati Tea Factory of PTCPL in JSTIL will enable JSTIL to consolidate its presence in agricultural market and emerge as a strong agricultural conglomerate having sizeable presence in tea, sugar and other agriculture products.

3.6 The demerger of the Strategic Investment Division of JSTIL to PTCPL will enable optimum growth and development of strategic investments of JSTIL, which requires specialized and independent set up, management control and expertise in as much as the Strategic Investments are not related to the existing business activities of JSTIL.

3.7 Thus, in order to reorganize the business of PTCPL and for better and more economic and efficient management, control and running of the businesses of the companies concerned, to obtain advantages of economies of scale as also to pool the resources of the companies concerned for growth and development of businesses concerned, it is considered desirable and expedient to amalgamate MPCIL with JSTIL, demerge the Parvati Tea Factory of PTCPL to JSTIL and demerge the Strategic Investment Division of JSTIL to PTCPL, in the manner and on the terms and conditions stated in this Scheme.

3.8 The scheme will result in formation of a larger and stronger Agricultural Company with a larger asset base having greater capacity for conducting its operations more effectively and competitively. Further, the scheme will enable optimum growth and development of strategic investments of JSTIL, which can be more effectively managed by PTCPL with undivided care and attention.

3.9 The Scheme will accordingly have beneficial results for all the companies, their shareholders, employees and all concerned.

PART – II

(MERGER OF MPCIL WITH JSTIL)

4. TRANSFER OF UNDERTAKINGS:

4.1 With effect from the Appointed Date and pursuant to the provisions of this Scheme, MPCIL shall stand amalgamated with JSTIL. Accordingly, with effect from the Appointed Date, the Undertaking of MPCIL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act stand transferred to and vest in or be deemed to be transferred to and vest in JSTIL, as a going concern, without any further act, deed, matter or thing so as to become on the Appointed Date, the Undertaking of JSTIL. It is expressly provided that in respect of such of the said assets as are movable in nature or otherwise capable of being transferred by manual/ physical delivery or by endorsement and delivery, the same shall be so transferred and/or made over by MPCIL and shall become the property of JSTIL accordingly.

4.2 All the debts, liabilities, duties and obligations and refunds, credits and claims of MPCIL shall, pursuant to the provisions of Section 394 and other applicable provisions of the Act be also transferred or deemed to be transferred to and vest in and be assumed by JSTIL, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of JSTIL.

4.3 The transfer and vesting of the Undertaking of MPCIL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over

or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of MPCIL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in JSTIL and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of JSTIL. Any reference in any security documents or arrangements (to which MPCIL is a party) to any assets of MPCIL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of JSTIL. Similarly, JSTIL shall not be required to create any additional security over assets acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of JSTIL shall not extend or be deemed to extend or apply to the assets so acquired by JSTIL.

4.4 Subject to the other provisions of this Scheme, all licences, permissions, approvals, consents, registrations, eligibility certificates and no objection certificates obtained by MPCIL for its operations and/or to which MPCIL is entitled to in terms of the various statutes and/or schemes of Union and State Governments, judicial/quasi judicial authorities, Director General of Foreign Trade, or any other agencies, shall be available to and vest in JSTIL, without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of JSTIL. Since the Undertaking of MPCIL will be transferred to and vested in JSTIL as a going concern without any break or interruption in operations thereof, JSTIL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates and no objection certificates and to carry on and continue the operations of the Undertaking of MPCIL on the basis of the same upon this Scheme becoming effective. Further, all benefits, including under Income Tax, Fringe Benefit Tax, Sales Tax, Service Tax, Excise (including Modvat/Cenvat), subsidy schemes of any State or Central Government, etc. to which MPCIL is entitled to in terms of the various statutes and/or schemes of the Union and State Governments shall be available to and vest in JSTIL upon this Scheme becoming effective.

5. LEGAL PROCEEDINGS:

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

6. CONTRACTS AND DEEDS:

All contracts, deeds, bonds, agreements, arrangements, licenses, engagements and other instruments of whatsoever nature to which MPCIL is a party or to the benefit of which MPCIL may be eligible and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of JSTIL and may be enforced by or against JSTIL as fully and effectually, as if instead of MPCIL, JSTIL had been a party or beneficiary thereto.

7. SAVING OF CONCLUDED TRANSACTIONS:

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

8. EMPLOYEES:

On and from the Effective Date:

8.1 All the employees of MPCIL in service on the Effective Date shall, on and from the Effective Date, become the employees of JSTIL on the same terms and conditions on which they are engaged by MPCIL without any break, discontinuance or interruption in service.

8.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with MPCIL.

8.3 The accumulated balances, if any, standing to the credit of the employees of MPCIL in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by JSTIL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by JSTIL. Pending the transfer as aforesaid, the dues of the employees of MPCIL relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

9. DISSOLUTION OF MPCIL:

MPCIL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

10. BUSINESS IN TRUST FOR JSTIL:

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

10.1 MPCIL shall carry on and be deemed to have carried on its businesses and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for JSTIL.

10.2 MPCIL shall carry on its business and activities with due diligence and business prudence and shall not, without the prior written consent of JSTIL, charge, mortgage, encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.

10.3 All profits or income accruing or arising to MPCIL or expenditure or losses arising or incurred by MPCIL shall, for all purposes, be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of JSTIL.

11. ISSUE OF SHARES:

11.1 Upon the Scheme coming into effect, and without any further application, act or deed JSTIL shall, in consideration of the amalgamation, issue and allot to the members of MPCIL holding fully paid-up equity shares in MPCIL 3 (Three) Equity Shares of Rs.5/- each in JSTIL credited as fully paid up (hereinafter referred to as the **"New Equity Shares"**) for every 1 (One) Equity Share of Rs.10/- each fully paid up held by them in the capital of MPCIL.

11.2 In so far as equity shares of MPCIL held by JSTIL is concerned (hereinafter referred to as **"JSTIL's Shares"**), JSTIL's Shares shall be allotted to a Board of Trustees to be constituted by JSTIL who shall hold such shares in trust (hereinafter referred to as **"the Trust"**) together with all additions or accretions thereto exclusively for the benefit of JSTIL subject to the powers, provisions, discretions and rights contained in the instrument (hereinafter referred to as **"the Trust Deed"**), establishing the aforesaid trust. The Trustees shall not exercise any voting rights with respect to JSTIL's Shares. The Trustees shall sell JSTIL's Shares in open market or by private negotiations in one or more lots at such price or prices and in such manner as they shall think fit and proper and remit the net sale proceeds to JSTIL and consequent thereto all obligations of the trustees under the Trust Deed shall stand discharged and the Trust shall be terminated.

11.3 The New Equity Shares of JSTIL to be issued and allotted in lieu of the equity shares of MPCIL under Clause 12.1, shall rank pari passu in all respects with the existing equity shares of JSTIL.

11.4 The New Equity Shares of JSTIL issued in terms of Clause 12.1 of the Scheme shall, subject to applicable regulations and guidelines, be listed and/or admitted to trading on the relevant stock exchange(s), where the Equity Shares of JSTIL are listed and/or admitted to trading.

12. ACCOUNTING:

12.1 An account shall be taken of the assets and liabilities of MPCIL to be transferred to JSTIL under this Scheme as on a date immediately preceding the Appointed Date. The value of land, agriculture farms, buildings and plant & machineries of MPCIL shall be taken at Rs.112.00 crore being the market value in respect thereof. The value of all other assets and liabilities of MPCIL including Capital Work in Progress shall be taken at values as appearing in the books of MPCIL, save and except investments in unlisted entities which have not been disposed off till the date of filing of the Scheme and is to be written off as part of the scheme.

12.2 The difference between the value of net assets of MPCIL to be taken over by JSTIL and the amount of share capital to be issued and allotted by JSTIL under this Scheme shall be credited in the books of JSTIL as Reserve as per the applicable Accounting Standards.

12.3 In case of any difference in accounting policy between MPCIL and JSTIL, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves of JSTIL to ensure that the financial statements of JSTIL reflect the financial position on the basis of consistent accounting policy.

12.4 JSTIL will comply with the Accounting Standard 14 as notified in the Companies (Accounting Standards) Rules, 2006 or any other provision as may be applicable while merging the accounts of MPCIL with JSTIL.

13. AUTHORISED SHARE CAPITAL:

On the Effective Date, the Authorised share capital of JSTIL, in terms of its Memorandum of Association, shall stand enhanced by an amount of Rs.3,00,00,000/- represented by the authorized share capital of MPCIL. The enhanced Authorised share capital of JSTIL shall be Rs. 29,00,00,000/- (Rupees Twenty nine crores only) and its Memorandum of Association shall automatically stand amended accordingly, and the words and figures in Clause V of its Memorandum of Association shall stand substituted to read as follows:

"The authorised share capital of the Company is Rs. 29,00,00,000/- (Rupees Twenty nine crores only) which shall consist of 5,80,00,000 equity shares of Rs.5 each only with such rights, privileges and conditions attached thereto as may be determined by the Board of Directors of the Company at the time of the issue. The Company has and shall always have the power to divide the share capital for the time being into several classes and to increase or reduce its capital for the time being into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

It is hereby clarified that for the purposes of this clause, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution under Section 16, Section 94 or any other applicable provisions of the Act, would be required to be separately passed, nor any registration fee, stamp duty etc., shall be payable by JSTIL.

14. AUDITORS:

After sanction of the scheme, the Statutory Auditors of MPCIL will become the Branch Auditors of JSTIL, in relation to its undertaking to be transferred to JSTIL under this Scheme.

15. BANK OPERATIONS:

Upon the Scheme being sanctioned and taking effect, all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of MPCIL, either before or after the Appointed Date, or in future, may be deposited with the Bank of JSTIL and credit of all receipts thereunder will be given in the accounts of JSTIL.

PART – III

(DEMERGER OF PARVATI TEA FACTORY OF PTCPL TO JSTIL AND DEMERGER OF STRATEGIC INVESTMENT DIVISION OF JSTIL TO PTCPL)

16.A DEMERGER OF PARVATI TEA FACTORY of PTCPL TO JSTIL:

16.A.1 Pursuant to the provisions of this Scheme, the Parvati Tea Factory of PTCPL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, stand transferred to and vest in or be deemed to be transferred to and vest in JSTIL for all the interest of PTCPL therein, with effect from the Appointed Date, as a going concern without any further act, deed, matter or thing (save as provided in Clause 16.A.2 below) so as to become on the Appointed Date, the assets (subject to encumbrances and charges, if any, existing thereon) or liabilities of JSTIL. Provided always that this Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility availed of by the Parvati Tea Factory of PTCPL and JSTIL shall not be obliged to create or provide any further or additional security therefor after the Effective Date or otherwise.

16.A.2 In respect of such of the said assets as are movable in nature or otherwise capable of being transferred by manual/ physical delivery or by endorsement and delivery, the same shall be so transferred and/or made over by PTCPL and shall become the property of JSTIL.

16.A.3 With effect from the Appointed Date, all the debts, liabilities, duties and obligations and refunds, credits and claims of PTCPL pertaining to the Parvati Tea Factory shall, pursuant to the Order of the Court under Section 394 and other applicable provisions of the Act and without any further act or deed, be also transferred or deemed to be transferred to and vest in and be assumed by JSTIL, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of JSTIL.

16.A.4 Subject to the other provisions of this Scheme, all licences, permissions, approvals, consents, registrations, eligibility certificates and no objection certificates obtained by PTCPL in relation to the Parvati Tea Factory for their operations and/or to which PTCPL is entitled to in terms of the various statutes and/or schemes of Union and State Governments, judicial/quasi judicial authorities, Tea Board, Director General of Foreign Trade, or any other agencies, shall be available to and vest in JSTIL, without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of JSTIL. Since Parvati Tea Factory of PTCPL will be transferred to and vested in JSTIL as a going concern without any break or interruption in operations thereof, JSTIL shall be entitled to the benefit of all such licences, permissions, approvals, consents, registrations, eligibility certificates and no objection certificates and to carry on and continue the operations of Parvati Tea Factory of PTCPL on the basis of the same upon this Scheme becoming effective. Further, all benefits, including under Income Tax, Fringe Benefit Tax, Sales Tax, Service Tax, Excise (including Modvat/Cenvat), subsidy schemes of Tea Board/Nabard or any other State or Central Government, etc. to which PTCPL is entitled to in terms of the various statutes and/or schemes of the Union and State Governments shall be available to and vest in JSTIL upon this Scheme becoming effective.

16.B DEMERGER OF STRATEGIC INVESTMENT DIVISION OF JSTIL TO PTCPL:

16.B.1 Pursuant to the provisions of this Scheme, the Strategic Investment Division of JSTIL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, stand transferred to and vest in PTCPL for all the assets and interest of JSTIL therein, with effect from the Appointed Date without any further act, deed, matter or thing so as to become on the said date, the assets (subject to encumbrances and charges, if any, existing thereon) or liabilities of PTCPL.

16.B.2 In respect of such of the said assets as are movable in nature or otherwise capable of being transferred by manual/physical delivery or by endorsement and delivery, the same shall be so transferred and/or made over by JSTIL and shall become the property of PTCPL.

16.B.3 With effect from the Appointed Date, all the rights, bonus, dividends, etc. of JSTIL pertaining to the Strategic Investment Division of JSTIL shall, pursuant to the Order of the Court under Section 394 and other applicable provisions of the Act and without any further act or deed, be also transferred or deemed to be transferred to and vest in and be assumed by PTCPL, so as to become the rights, bonus and dividends of PTCPL.

17. LEGAL PROCEEDINGS:

17A. If any suits, actions and proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against PTCPL and relating to the Parvati Tea Factory are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of anything contained in this Scheme, but the Proceedings may be continued and enforced by or against JSTIL as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against PTCPL, if this Scheme had not been made.

17B. If any suits, actions and proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against JSTIL and relating to the Strategic Investment Division are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of anything contained in this Scheme, but the Proceedings may be continued and enforced by or against PTCPL as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against JSTIL, if this Scheme had not been made.

18. CONTRACTS AND DEEDS:

18A. All contracts, deeds, bonds, agreements, arrangements, licences, engagements and other instruments of whatsoever nature to which PTCPL is a party in relation to the Parvati Tea Factory or to the benefit of which PTCPL may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of JSTIL as the case may be, and may be enforced by or against JSTIL as fully and effectually, as if instead of the PTCPL, JSTIL had been a party or beneficiary thereto.

18B. All contracts, deeds, bonds, agreements, arrangements, licences, engagements and other instruments of whatsoever nature to which JSTIL is a party in relation to the Strategic Investment Division or to the benefit of which JSTIL may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of PTCPL as the case may be, and may be enforced by or against PTCPL as fully and effectually, as if instead of the JSTIL, PTCPL had been a party or beneficiary thereto.

19. SAVING OF CONCLUDED TRANSACTIONS:

19A. The transfer of the Parvati Tea Factory of PTCPL and the continuance of Proceedings as above and the effectiveness of contracts and deeds, shall not affect any transaction or Proceedings already concluded by PTCPL on or before the Effective Date, to the end and intent that JSTIL accepts and adopts all acts, deeds and things done and executed by PTCPL in respect thereto, as if done and executed on its behalf.

19B. The transfer of the Strategic Investment Division of JSTIL and the continuance of Proceedings as above and the effectiveness of contracts and deeds, shall not affect any transaction or Proceedings already concluded by JSTIL on or before the Effective Date, to the end and intent that PTCPL accepts and adopts all acts, deeds and things done and executed by JSTIL in respect thereto, as if done and executed on its behalf.

20. EMPLOYEES:

On and from the Effective Date:

20.A.1 All the employees of PTCPL relating to the Parvati Tea Factory in service on the Effective Date shall, on and from the Effective Date, become the employees of JSTIL on the same terms and conditions on which they are engaged by PTCPL without any break, discontinuance or interruption in service.

20.A.2 Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with PTCPL.

20.A.3 The accumulated balances, if any, standing to the credit of the employees of PTCPL pertaining to the Parvati Tea Factory in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by JSTIL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by JSTIL. Pending the transfer as aforesaid, the dues of the employees of PTCPL relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

20.B.1 All the employees of JSTIL relating to the Strategic Investment Division in service on the Effective Date shall, on and from the Effective Date, become the employees of PTCPL on the same terms and conditions on which they are engaged by JSTIL without any break, discontinuance or interruption in service.

20.B.2 Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with JSTIL.

21A. BUSINESS IN TRUST FOR JSTIL:

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

21.A.1 PTCPL shall carry on and be deemed to have carried on the business and activities of Parvati Tea Factory of PTCPL and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for JSTIL.

21.A.2 PTCPL shall carry on its business and activities in relation to the Parvati Tea Factory with due diligence and business prudence and shall not, without the prior written consent of JSTIL, charge, mortgage, encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.

21.A.3 All profits or income accruing or arising to PTCPL or expenditure or losses arising or incurred by PTCPL in respect of the Parvati Tea Factory shall, for all purposes, be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of JSTIL.

21.B BUSINESS IN TRUST FOR PTCPL:

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

21.B.1 JSTIL shall carry on and be deemed to have carried on the business and activities of Strategic Investment Division of JSTIL and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for PTCPL.

21.B.2 JSTIL shall carry on its business and activities in relation to the Strategic Investment Division with due diligence and business prudence and shall not, without the prior written consent of PTCPL, charge, mortgage, encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.

21.B.3 All profits or income accruing or arising to JSTIL or expenditure or losses arising or incurred by JSTIL in respect of the Strategic Investment Division shall, for all purposes, be deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of PTCPL.

22. ISSUE OF SHARES:

22.1 On and from the Appointed Date, PTCPL shall, subject to the provisions of the Act and without any further application or deed, issue and allot 5,00,000

Equity Shares of Rs.10/- each amounting to Rs.50.00 lakhs (hereinafter referred to as the "**New PTCPL Equity Shares**") to JSTIL in consideration of transfer of Strategic Investment Division of JSTIL to PTCPL and transfer of Parvati Tea Factory of PTCPL to JSTIL.

22.2 The New PTCPL Equity Shares so issued shall rank pari passu in all respects with the existing equity shares of PTCPL.

23. ACCOUNTING TREATMENT:

23.1 A Statement of Account as on the Appointed Date shall be taken of the assets and liabilities of PTCPL consequent to the reconstruction and transfer of the Parvati Tea Factory from PTCPL to JSTIL under the Scheme. All assets and liabilities of the Parvati Tea Factory, including Loans and Advances together with the liabilities on account of Secured/Unsecured Loans and other borrowings shall be transferred to JSTIL and recorded in the books of account of JSTIL at their respective book values in which they appear in the books of accounts of PTCPL, save and except the value of fixed assets which shall be taken at Rs.300 lacs, being the market value.

23.2 A statement of account as on the Appointed Date shall be taken of the assets and liabilities of the Strategic Investment Division of JSTIL to be demerged into PTCPL under the Scheme at the value appearing in the books of JSTIL.

23.3 The net value of Strategic Investment Division transferred from JSTIL to PTCPL after reduction of net value of Parvati Tea Factory transferred from PTCPL to JSTIL and the New PTCPL Equity Shares issued to JSTIL in terms of Clause 22.1 shall, be treated as Reserve(s) in the books of account of PTCPL

23.4 The difference between the value of assets and liabilities of Parvati Tea Factory transferred from PTCPL to JSTIL in terms of Clause 23.1 and the net value of Strategic Investment Division transferred from JSTIL to PTCPL in terms of Clause 23.2 shall, be treated as Investments in the books of account of JSTIL

23.5 Both PTCPL and JSTIL will comply with the applicable Accounting Standards as notified in the Companies (Accounting Standards) Rules, 2006 or any other provision as may be applicable.

24. BANK OPERATIONS:

24A. Even after this Scheme becomes operative, JSTIL shall be entitled to operate all Bank Accounts relating to the Parvati Tea Factory and realise all monies and complete and enforce all pending contracts and transactions in respect of the Parvati Tea Factory in the name of PTCPL in so far as may be necessary until the transfer of rights and obligations of PTCPL to JSTIL under this Scheme is formally accepted by the parties concerned.

24B. Even after this Scheme becomes operative, PTCPL shall be entitled to operate all Bank Accounts relating to the Strategic Investment Division and realise all monies and complete and enforce all pending contracts and transactions in respect of the Strategic Investment Division in the name of JSTIL in so far as may be necessary until the transfer of rights and obligations of JSTIL to PTCPL under this Scheme is formally accepted by the parties concerned.

PART – IV

(MISCELLANEOUS)

25. APPLICATIONS

MPCIL, PTCPL and JSTIL shall, with all reasonable dispatch, make necessary applications to the High Court pursuant to Sections 391 and 394 of the Act, for convening and/or seeking exemption to convene meetings of shareholders, for sanctioning and carrying out of this Scheme and for consequent dissolution of MPCIL without winding up and shall apply for and obtain such other approvals, as required by law. Any such application shall, upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the High Courts shall be construed as references to the National Company Law Tribunal and/ or appropriate Benches thereof as the context may require.

26. APPROVALS AND MODIFICATIONS:

MPCIL, PTCPL and JSTIL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

26.1 to assent from time to time to any modifications or amendments or substitutions of this Scheme or of any conditions or limitations which the High Courts and / or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and

26.2 to settle all doubts or difficulties that may arise in carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting this Scheme into effect.

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

27. CHANGE OF NAME:

Consequent upon the approval of the Scheme, the name of PTCPL will be changed to "Parvati Investments Limited" or such other name which is in the synchronization with the nature of its business subject to its approval by the concerned Registrar of Companies. PTCPL shall, after the change in its name, make an application to the Reserve Bank of India for its registration as a Non Banking Finance Company (NBFC).

28. STATUTORY APPROVALS

On the approval of the Scheme by the Equity Shareholders of MPCIL, PTCPL and JSTIL, it shall be deemed that the said shareholders have also accorded all relevant consents under Sections 21 and 81(1-A) of the Act or any other provisions of the Act to the extent the same may be considered applicable.

29. SCHEME CONDITIONAL UPON:

This Scheme is conditional upon and subject to:

29.1 approval of this Scheme by the requisite majority of the members, as may be required, of MPCIL, PTCPL and JSTIL;

29.2 sanction of the Scheme by the High Court under Sections 391 and 394 and other applicable provisions of the Act; and

29.3 the certified copies of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, West Bengal.

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

30. COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses, in connection with this Scheme, arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne and paid by JSTIL.

31. RESIDUAL PROVISIONS:

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

Company Application No.464 of 2011

In the High Court at Calcutta

Original Jurisdiction

In the Matter of:

The Companies Act, 1956

And

In the Matter of:

An application under Sections 391(1) and 393 of the said Act

And

In the Matter of :

1. M.P. Chini Industries Limited
2. Parvati Tea Company Private Limited
3. Jay Shree Tea & Industries Limited

... ... Applicants.

PROXY

I/We the undersigned Equity Shareholders of Jay Shree Tea & Industries Limited (hereinafter referred to as "JSTIL") do hereby nominate and appoint Shri/Smt. _____of _____and failing him/her Shri/ Smt. _____of _____ as my/our PROXY, to act for me/us at the meeting of the Equity Shareholders of JSTIL to be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017 on Wednesday, the 8th day of June, 2011 at 10:30 a.m. for the purpose of considering, and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation and Arrangement between M.P. Chini Industries Limited, Parvati Tea Company Private Limited and JSTIL and their respective shareholders and at such meeting or any adjournment thereof to vote (*) _____ the Scheme for me/us and in my/our name as my/our proxy may approve.

Dated this day of 2011.

(Strike out whichever not applicable)

Signature : [Revenue Stamp]

Name :

Address :

Ledger Folio No/Client ID & DP ID No.:

NOTES:

1. Please affix appropriate Revenue Stamp before putting Signature.
2. The proxy must be deposited at the Registered Office of JSTIL at least 48 hours before the time of holding the meeting.
   *(if you want to vote in favour of the Scheme with or without modifications put 'FOR' and in case you intend to vote against put 'AGAINST' and delete all the words after the words 'the Scheme').

ATTENDANCE SLIP (To be handed over at the time of entry)

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the meeting of the Equity Shareholders of Jay Shree Tea & Industries Limited (hereinafter referred to as "JSTIL") convened pursuant to the order dated 2nd May, 2011 of the Hon'ble High Court at Calcutta held at "Kala Kunj", 48, Shakespeare Sarani, Kokata 700017 on Wednesday, the 8th June, 2011 at 10:30 a.m.

Name of the Member/ proxy : No. of equity Shares held :

Signature : Folio/ Client ID & DP No. :

NOTE:

1. Equity Shareholder/ Proxyholder(s) are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.
2. Equity Shareholder/ Proxyholder(s) who come to attend the meeting are requested to bring their copy of the Scheme with them.

Book-Post

If undelivered please return to :
Jay Shree Tea & Industries Limited
Industry House (15th Floor)
10, Camac Street
Kolkata - 700 017