

SCHEME OF ARRANGEMENT
(UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956)

BETWEEN
WARREN TEA LIMITED
AND
JAMES WARREN TEA PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
FOR
DEMERGER OF DEMERGED UNDERTAKING OF WARREN TEA LIMITED AS DEFINED HEREIN TO
JAMES WARREN TEA PRIVATE LIMITED

PART – I
(Preliminary)

1. Definitions:

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

- i. "Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- ii. "Appointed Date" means the 1st day of April, 2011.
- iii. "WTL" means Warren Tea Limited, an existing Company within the meaning of the Companies Act, 1956, having its registered office at Deohall Tea Estate, P.O. Hoogrijan, District Tinsukia, Assam 786 601.
- iv. "JWTL" means James Warren Tea Private Limited, a Company incorporated under the provisions of the Act and having its registered office at Dhoedhaam Tea Estate, PO Borahapjan, District Tinsukia, Assam 786 150.
- v. "Demerged Undertaking" means the entire business and activities of WTL comprised in the following tea estates of WTL which is known as the "James Warren Tea Division" of WTL:
 - 1. Balijan (H) tea estate
 - 2. Deeamoolie tea estate
 - 3. Dhoedhaam tea estate
 - 4. Rajah Ali tea estate
 - 5. Thowra tea estate
 - 6. Tippuk tea estate
 - 7. Zaloni tea estate

Without prejudice to the generality of the foregoing, the Demerged Undertaking shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of WTL comprised in and/or pertaining to the Demerged Undertaking as on the Appointed Date, including:

- (a) all properties and assets, moveable and immoveable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Demerged Undertaking, including all lands comprised in the said tea estates in the States of Assam, tea bushes and seedlings, nurseries, dunes and other crops and trees whatsoever growing or standing thereon, all other lands, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, computers, computer programmes, software (including software licenses from Softweb), investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of WTL in relation to the Demerged Undertaking, leases, tenancies and agency of WTL pertaining to the Demerged Undertaking, and all other interests or rights in or arising out of or relating to the Demerged Undertaking together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, information technology, patents, copyrights, trademarks, brand names, website, other intellectual property rights (including all intellectual property rights and other rights as stated in clause 17.3 herein), liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of sales tax, value added tax, turnover tax, excise duty, service tax, and other indirect taxes), deferred tax benefits and other benefits appertaining to the Demerged Undertaking and/or to which WTL is entitled to in respect of the Demerged Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Demerged Undertaking but expressly excluding the Retained Assets;
- (b) all debts, liabilities, duties and obligations of WTL in relation to the Demerged Undertaking as appearing in the books of account of WTL as on the Appointed Date, including liabilities on account of secured loans, unsecured loans and sundry creditors and bonus, gratuity and other employee benefits pertaining to the Demerged Undertaking; and

- (c) all employees of WTL engaged in or in relation to the Demerged Undertaking as on the Effective Date.
- vi. "Retained Assets" means all assets of WTL not forming part of the Demerged Undertaking. Without prejudice to the generality of the foregoing, the same shall include, the registered office of WTL at Deohall Tea Estate, P.O. Hoogrijan, District Tinsukia, Assam 786 601; the corporate office at Suvira House, 4B, Hungerford Street, Kolkata 700 017 and other properties in Kolkata not forming part of the Demerged Undertaking; and the following tea estates ("Retained Tea Estates") in the State of Assam:
1. Balijan (North) Tea Estate
 2. Deohall Tea Estate
 3. Duamara Tea Estate
 4. Hatimara Tea Estate
 5. Rupai Tea Estate
 6. Sealkotee Tea Estate
 7. Tara Tea Estate
- vii. "Record Date" means the date to be fixed by the Board of Directors of WTL in consultation with JWTL for the purpose of determining the members of WTL to whom new shares in JWTL will be allotted pursuant to Clause 10 of the Scheme.
- viii. "Effective Date" means the date or last of the dates on which certified copies of the order of the Hon'ble Gauhati High Court sanctioning the Scheme are filed with the Registrar of Companies, Assam by WTL and JWTL.
- ix. "Scheme" means this Scheme of Arrangement under Sections 391 to 394 of the Act in the present form or with such modifications as sanctioned by the Hon'ble Gauhati High Court.
- x. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.
2. Share Capital:
- 2.1 The Scheme was approved by the respective Board of Directors of WTL and JWTL on 11 August 2012. Pursuant to Securities and Exchange Board of India circular No.QR/CFD/DIL/5/2013 dated 4th February, 2013 the Scheme was updated and approved again by the respective Board of Directors of WTL and JWTL on 14 February 2013. The Authorised, Issued, Subscribed and Paid-up Share Capital of WTL and JWTL as on 14 February 2013 is as under:

- i. WTL
- | | |
|---|------------------------|
| <u>Authorised Share Capital:</u> | <u>(Amount in Rs.)</u> |
| 2,00,00,000 Equity Shares of Rs.10/- each | 20,00,00,000/- |
| | |
| <u>Issued, Subscribed and Paid up Share Capital:</u> | |
| 1,07,14,273 Equity Shares of Rs.10/- each fully paid up | 10,71,42,730/- |
- ii. JWTL
- | | |
|--|------------|
| <u>Authorised Share Capital:</u> | |
| 50,000 Equity Shares of Rs.10/- each | 5,00,000/- |
| | |
| <u>Issued, Subscribed and Paid up Share Capital:</u> | |
| 50,000 Equity Shares of Rs.10/- each fully paid up | 5,00,000/- |
- 2.2 Issue of Equity Shares by way of bonus shares only to the public shareholders to the exclusion of promoters has been approved by the Board of Directors of WTL on 30th January, 2013 in terms of clause 40A(ii)(f) of the listing agreements with the Stock Exchanges. Upon such bonus shares being issued, the Issued, Subscribed and Paid up Share Capital of WTL shall increase to Rs.11,95,08,050/- divided into 1,19,50,805 Equity Shares of Rs.10/- each fully paid up. The entitlement ratio of shares of JWTL in consideration of the demerger as specified in clause 10.1 will remain the same even after such issue of bonus shares.
3. Objects and Reasons:
- i. WTL is engaged in the business of growing, harvesting, manufacturing and selling tea. Such business is carried on by WTL through its 14 tea estates situated in diverse locations in the State of Assam. JWTL is a relatively new Company and proposes to undertake similar tea business.
- ii. The bulk tea industry has witnessed higher tea prices and realisations in the last few years. As such the tea business of WTL has good prospects for further development. The Demerged Undertaking and the residual undertaking of WTL have good potential for funding, running, growth and development thereof as independent businesses.
- iii. WTL's promoters consist of two groups, i.e. (i) Goenka Group headed by Shri Vinay Kumar Goenka ("Goenka Group") and (ii) Ruia Group headed by Shri Anil Kumar Ruia ("Ruia Group"). Altogether, the promoters hold 89,47,799 Equity Shares of Rs.10/- each representing 83.51% of the total existing Issued, Subscribed and paid up Share Capital of WTL. As on the date of approval of this Scheme by the respective managements of the companies, the constituents of the Goenka Group altogether held 44,20,794 Equity Shares representing 41.26% of the total existing Issued, Subscribed and paid up Share Capital of WTL while the constituents of the Ruia Group altogether held 45,27,005 Equity Shares of Rs.10/- each representing 42.25% of the total existing Issued, Subscribed and paid up Share Capital of WTL. Upon bonus shares

being issued only to the public shareholders of WTL as mentioned in paragraph 2.2 above such promoters' holding of 89,47,799 Equity Shares will constitute only 74.87% of the total enhanced Issued, Subscribed and paid up Share Capital of WTL.

- iv. For the optimum, running, growth and development of the tea business and various tea gardens of WTL it is considered desirable and expedient to reorganise and reconstruct WTL by demerging the Demerged Undertaking of WTL to JWTL in the manner and on the terms and conditions contained in this Scheme of Arrangement.
- v. The demerger will enable the business and activities comprised in the Demerged Undertaking of WTL and remaining business and activities of WTL to be pursued and carried on more conveniently and advantageously with greater focus and attention through two separate companies, i.e. WTL and JWTL, each having their own administrative set up. The same will simplify the management structure, control and supervision of the respective units and facilitate the business considerations and factors applicable to them to be addressed more effectively and adequately by the said companies.
- vi. In consideration of the demerger, JWTL will issue and allot Equity Shares credited as fully paid up in JWTL to all shareholders of WTL in the entitlement ratio of 1 (One) Equity Share of Rs.10/- each in JWTL for every 1 (One) Equity Share of Rs.10/- each held by them in WTL. Such entitlement ratio of shares has been fixed on a fair and reasonable basis and will result in JWTL having the same shareholding pattern initially as WTL.
- vii. The demerger will enable independent evaluation of the said respective businesses and undertakings through two separate companies and participation therein of suitable investors and strategic partners. The same will enable running and operation of the said businesses and growth and development plans thereof to be funded independently and unlock shareholders value. Pursuant to issue and allotment of shares in terms of the Scheme, every shareholder of WTL will hold shares in two Companies, i.e. in WTL and JWTL, instead of one giving them greater flexibility in managing and/or dealing with their investments. The same will also facilitate and enable eventual separation and realigning of promoters' interests in WTL and JWTL between the two groups of promoters pursuant to this Scheme on mutually agreed terms.
- viii. The Scheme will assist in the potential of the respective businesses and undertakings to be realised more fully and effectively. The Scheme will have beneficial results for the said Companies, their shareholders and all concerned and is proposed accordingly.

PART – II

- 4. Transfer of Undertaking:

- 4.1 With effect from the Appointed Date, the Demerged Undertaking shall be demerged from WTL and transferred to JWTL as a going concern for all the estate and interest of WTL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 4.2 In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by WTL, without requiring any deed or instrument of conveyance for the same and shall become the property of JWTL accordingly and as an integral part of the Demerged Undertaking transferred to JWTL.
- 4.3 In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in JWTL pursuant to the provisions of Section 394(2) of the Act.
- 4.4 All debts, liabilities, duties and obligations of WTL relating to the Demerged Undertaking as on the close of business on the day immediately preceding the Appointed Date and as appearing in the books of account of WTL in relation to the Demerged Undertaking, including proportionate amount of general and multipurpose borrowings determined in accordance with Section 2(19AA) of the Income-Tax Act, 1961 shall also be transferred to JWTL, without any further act or deed, pursuant to the provisions of Section 394(2) of the Act, so as to become the debts, liabilities, duties and obligations of JWTL.
- 4.5 The transfer and vesting of the Demerged Undertaking of WTL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof which are subsisting on transfer of such assets to JWTL and relating to the liabilities of the Demerged Undertaking which are also transferred to JWTL. The assets transferred shall stand freed from all other charges, mortgages and encumbrances. It is further clarified and provided that such charges, mortgages, and/ or encumbrances shall not extend over or apply to any other asset(s) of JWTL and any reference in any security documents or arrangements (to which WTL is a party) to any assets of WTL 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 JWTL. JWTL shall also not be required to create any additional security over assets of Demerged Undertaking of WTL acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by JWTL and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of JWTL shall not extend or be deemed to extend or apply to the assets of Demerged Undertaking so acquired by JWTL. It is clarified and provided that the transfer of the Demerged Undertaking of WTL to JWTL shall not affect the subsisting charges, mortgages and encumbrances over the Retained Assets of WTL or any part thereof and such charges, mortgages and

encumbrances shall continue to be applicable in respect of such Retained Assets save and except that such Retained Assets shall stand freed from all charges, mortgages and encumbrances relating to liabilities which are transferred to JWTL.

- 4.6 Subject to the other provisions of this Scheme, all entitlements, licenses, permissions, approvals, clearances, authorisations, consents, brands, trademarks, other intellectual property rights registrations and no-objection certificates obtained by WTL for the operations of the Demerged Undertaking and/or to which WTL is entitled to in relation to the Demerged Undertaking in terms of the various Statutes / Schemes / Policies, etcetera of Union and State Governments, shall be available to and vest in JWTL, without any further act or deed and shall be mutated by the statutory authorities concerned therewith in favour of JWTL. Since the Demerged Undertaking will be transferred to and vested in JWTL as a going concern without any break or interruption in the operations thereof, JWTL shall be entitled to enjoy the benefit of all such entitlements, licenses, permissions, approvals, clearances, authorisations, consents, intellectual property rights, registrations and no-objection certificates as enjoyed by WTL and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective. Accordingly, all existing and future incentives, unavailed credits and exemptions and other statutory benefits, including in respect of Income Tax for the period commencing on and from the Appointed Date, Excise (including Modvat/Cenvat), Customs, VAT, Sales Tax, Service Tax and other indirect taxes to which WTL is entitled in relation to the Demerged Undertaking in terms of the various Statutes / Schemes / Policies, etcetera of Union and State Governments shall be available to and vest in JWTL upon this Scheme becoming effective.
- 4.7 It is clarified that all the taxes and duties payable by WTL, accruing and relating to the operations of the Demerged Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims of JWTL. Accordingly, upon the Scheme becoming effective, WTL is expressly permitted to revise and JWTL is expressly permitted to file their respective income tax returns, including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 4.8 The assets and liabilities of the James Warren Tea Division shall be transferred to JWTL from the Appointed Date in terms of this Scheme at their respective book values with change in book values of assets consequent to revaluation being ignored in terms of Section 2(19AA) of the Income Tax Act, 1961.
5. Legal Proceedings:

All legal, or other proceedings by or against WTL and relating to the Demerged Undertaking, shall be continued and enforced by or against JWTL only. If proceedings are taken against WTL, WTL will defend on notice to JWTL and in consultation with and at the cost of JWTL.

6. Contracts and Deeds:

Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Demerged Undertaking to which WTL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of JWTL and may be enforced as fully and effectually as if instead of WTL, JWTL had been a party thereto.

7. Saving of Concluded Transactions:

The transfer and vesting of the properties and liabilities of the Demerged Undertaking and the continuance of the proceedings by or against JWTL as per the provisions hereof shall not affect any transaction or proceeding relating to the Demerged Undertaking already completed by WTL on or before the Effective Date to the end and intent that JWTL accepts all acts, deeds and things relating to the Demerged Undertaking done and executed by and/or on behalf of WTL as acts, deeds and things done and executed by and on behalf of JWTL.

8. Employees:

8.1 JWTL undertakes to engage on and from the Effective Date all the employees of WTL engaged in the Demerged Undertaking on the same terms and conditions on which they are engaged by WTL without any interruption of service as a result of the transfer of the Demerged Undertaking to JWTL. JWTL agrees that the services of all such employees with WTL up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

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

8.3 The accumulated balances, if any, standing to the credit of the employees of the Demerged Undertaking in the existing Provident Fund, Gratuity Fund Superannuation Fund and other funds, if any, of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by JWTL 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 JWTL. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertaking relating to the said funds would be

continued to be deposited by JWTL in the existing Provident Fund, Gratuity Fund Superannuation Fund and other funds respectively.

9. Business in trust for JWTL:

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

9.1 WTL undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and WTL shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for JWTL.

9.2 All profits accruing to WTL (including taxes paid thereon) or losses arising or incurred by it relating to the Demerged Undertaking for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of JWTL.

9.3 WTL shall be deemed to have held and stood possessed of the properties to be transferred to JWTL for and on account of and in trust for JWTL and, accordingly, WTL shall not (without the prior written consent of JWTL) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business.

10. Issue of Shares by JWTL:

10.1 Upon the Scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, JWTL shall, without further application, issue and allot to the shareholders of WTL whose names shall appear in the Register of Members of WTL as on a Record Date to be fixed by WTL in consultation with JWTL, 1 (One) Equity Share of Rs.10/- each in JWTL, credited as fully paid up for every 1 (One) Equity Share of Rs.10/- each held by them in WTL.

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

10.3 In respect of the shareholding of the members in WTL held in the dematerialised form, the Equity Shares in JWTL shall, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to clause 10.1 above with such shares being credited to the existing depository accounts of the members of WTL entitled thereto, as per records

maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date.

- 10.4 In respect of the shareholding of the members in WTL held in the certificate form, the Equity Shares in JWTL shall be issued to such members in certificate form. Members of WTL desirous of receiving the new shares in JWTL in dematerialised form should have their shareholding in WTL dematerialised on or before the Record Date.
- 10.5 Pursuant to and upon this Scheme becoming effective, JWTL shall take necessary steps to increase and alter its Authorised Share Capital suitably to enable JWTL to issue and allot the Equity Shares in JWTL to the shareholders of WTL in terms of this Scheme.
- 10.6 The Equity Shares in JWTL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 10.7 Till listing of the Equity Shares of JWTL to be issued pursuant to this Scheme, there shall be no change in the pre-arrangement capital structure and shareholding pattern or control in JWTL which may affect the status of the approval of the stock exchanges to this Scheme.
- 10.8 Equity Shares of JWTL are allotted to the members of WTL in terms of this Scheme by virtue of their interest in WTL as a whole, including the Demerged Undertaking. The interest of the said members in the Demerged Undertaking is in effect continued through JWTL after the demerger. Accordingly, such interest in the Demerged Undertaking is not new and the Equity Shares in JWTL allotted to the said members shall for the purpose of any transfer or disposal thereof by the allottees after the allotment be deemed to have been acquired and held by the allottees from the date the related shares in WTL were acquired and held by such allottees. The two groups of promoters shall be entitled to transfer the shares in WTL and JWTL between themselves accordingly pursuant to this Scheme in any manner whatsoever.
11. Accounting:
- 11.1 The assets and liabilities of the Demerged Undertaking shall be recorded in the books of account of JWTL at their values as appearing in the books of account of WTL as on the Appointed Date with change in such values consequent to revaluation being ignored. A Statement thereof as appearing from the books of account of WTL as on March 31, 2011 is set out in Schedule I hereto. The difference between the assets and liabilities of the Demerged Undertaking shall be adjusted against reserves in the respective books of account of WTL and JWTL as provided hereunder.
- 11.2 The difference between the value of the assets and liabilities of the Demerged Undertaking recorded in the books of account of JWTL in terms of Clause 11.1 above as reduced by the

aggregate face value of the Equity Shares issued and allotted by JWTL in terms of this Scheme shall to the extent of Rs.20,00,00,000/- be adjusted in the Profit and Loss Account of JWTL and the balance shall be adjusted in General Reserves.

11.3 In the books of account of WTL the difference between the assets and liabilities of the Demerged Undertaking shall be adjusted against Revaluation Reserves of WTL to the extent such reserves are represented by fixed assets of the Demerged Undertaking; a sum of Rs.45,00,00,000/- shall be adjusted against the credit balance in the Profit and Loss Account of WTL; and the balance shall be adjusted against the General Reserves of WTL.

11.4 Subject to the aforesaid, the Board of Directors of WTL and JWTL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.

12. Applications:

WTL and JWTL shall, with all reasonable dispatch, make necessary applications to the Hon'ble Gauhati High Court for sanction and carrying out of the Scheme. 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 Hon'ble Gauhati High Court shall be construed as references to the National Company Law Tribunal as the context may require. WTL and JWTL shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

13. Modification and Implementation:

WTL and JWTL (by their respective Board of Directors or Committee thereof or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

13.1 to assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Gauhati High Court and / or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and

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

14. Scheme Conditional Upon:

- 14.1 The Scheme is conditional upon and subject to approval of the same by the requisite majorities of the members of WTL and JWTL pursuant to Section 391(1) of the Act and sanction of the same by the Hon'ble Gauhati High Court under Sections 391(2) and 394 and other applicable provisions of the Act.
- 14.2 In terms of SEBI circular dated 4 February 2013 bearing No.CIR/CFD/DIL/05/2013, approval of shareholders of WTL shall be obtained by special resolution passed through postal ballot / e-voting after disclosure of all material facts in the explanatory statement in relation to such resolution and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the resolution amounts to at least two times the number of votes cast by public shareholders against such resolution.
- 14.3 The Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble Gauhati High Court sanctioning the Scheme are filed with the Registrar of Companies, Assam by WTL and JWTL.
15. Remaining Business:
Save and except the Demerged Undertaking of WTL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the other business, assets, and liabilities of WTL which shall continue to belong to and be vested in and be managed by WTL. It is expressly clarified and provided that Retained Assets shall continue to be so vested in WTL and all liabilities, present or contingent, under the Assam Agricultural Income Tax Act, 1939 and Income Tax Act, 1961 of WTL as a whole, including all fourteen tea estates, for the period prior to the Appointed Date shall be borne by WTL with WTL also being entitled to any and all tax refunds and other credits under the said Acts for such prior period.
16. Costs:
All costs, charges and expenses in connection with the Scheme incurred upto the stage of the Scheme becoming effective shall be borne and paid by the Warren Tea Division and James Warren Tea Division equally.
17. Residual Provisions:
17.1 Even after this Scheme becomes operative, JWTL shall be entitled to operate all Bank Accounts relating to the Demerged Undertaking and realise all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of WTL in so far as may be necessary until the transfer of rights and obligations of WTL to JWTL under this Scheme is formally accepted by the parties concerned.

- 17.2 Neither WTL nor JWTL shall be named as 'Warren Tea Limited'. Accordingly the existing corporate name of WTL shall be changed to Warren Tea (India) Limited or such other name as may be approved by the Registrar of Companies. WTL shall also change its existing website domain name accordingly. WTL shall take necessary steps to give effect to such change of its corporate and website domain names. JWTL shall convert itself into a public Company by altering its Articles in terms of Section 44 of the Act.
- 17.3 Both WTL and JWTL shall be entitled to use the words 'Warren Tea' as part of their corporate names with the addition of other words as aforesaid. However, the proprietary and all other rights in the patents, logos and trade marks presently used by WTL, including in the registered trade mark depicted by the letter 'W' formed by tea leaves, and all other intellectual property rights of WTL but excluding trade marks and trade names relating exclusively to the respective Retained Tea Estates shall stand transferred to and vested in JWTL ("the transferred intellectual property rights") as part of the demerger and belong to JWTL to the exclusion of WTL. WTL shall have no right to use the transferred intellectual property rights, including the said registered trade mark depicted by the letter 'W' as such or in combination with or part of any other mark, name or logo, in any manner whatsoever and shall cease and desist from using the same upon the Scheme becoming effective as aforesaid.
- 17.4 On the approval of the Scheme by the members of WTL and JWTL pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 21, 81(1-A) or any other provisions of the Act to the extent the same may be considered applicable.
- 17.5 The demerger and transfer and vesting of the Demerged Undertaking under this Scheme has been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961.
- 17.6 If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or any other person as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to the said Mr. Chandra Kumar Dhanuka of 4A, Woodburn Park, Kolkata 700 020, Mr. Pradip Kumar Khaitan, Advocate of 1B, Old Post Office Street, Kolkata 700 001 and Mr. Dharam Pal Jindal of Plot No.30, Institutional, Sector 44, Gurgaon 122 001 whose decision shall be final and binding on all concerned.

Schedule I

Statement of Assets and Liabilities of Demerged Undertaking as on 31 March, 2011

	Amount in Rs.
LIABILITIES	
(1) Non Current Liabilities	
(a) Long term borrowings	2,99,55,303
(b) Deferred Tax Liabilities (Net)	59,86,848
(c) Long term provisions	7,25,78,659
(2) Current Liabilities	
(a) Trade Payables	6,29,72,681
(b) Other current liabilities	2,79,26,741
(c) Short-term provisions	4,86,62,323
Total	24,80,82,555
ASSETS	
(1) Non-Current Assets	
(a) Fixed Assets	
(i) Tangible Assets	47,46,41,900
(ii) Intangible Assets	14,40,712
(iii) Capital work in progress	57,47,832
(b) Non-current Investments	1,59,63,349
(2) Current Assets	
(a) Inventories	7,75,93,445
(b) Trade Receivables	6,43,73,111
(c) Cash and cash equivalents	26,21,09,095
(d) Short-term Loans & Advances	3,19,55,226
(e) Other Current Assets	1,59,36,367
Total	94,97,61,037



Private and Confidential

14th February, 2013

The Board Of Directors
Warren Tea Limited
Deohall Tea Estate, P.O. Hoognijan, District Tinsukia,
Assam 786 601

Dear Sirs,

**Demerger of James Warren Tea Division of Warren Tea Limited to James Warren Tea (P) Ltd.
(Erstwhile Dashabhooja Mercantile & Tourism Private Limited)**

Entitlement Ratio Report

This is in reference to your letter dated 6th February 2013 appointing us as financial advisors for recommending Entitlement Ratio of shares upon demerger from 1st April 2011 ("Appointed Date") of James Warren Tea Division ("Demerged Undertaking") of Warren Tea Limited (hereinafter referred to as "WTL") to James Warren Tea (P) Ltd. (Erstwhile Dashabhooja Mercantile & Tourism Private Limited), (Herein after also referred to as "JWTL") and the subsequent discussions we had with you in this respect. We have accordingly, carried out our assignment of recommending Entitlement Ratio of Equity Shares in JWTL to the shareholders of WTL in consideration of the proposed demerger of Demerged Undertaking of WTL to JWTL, together, "the Companies" and pleased to provide our assessment as under:

Warren Tea Limited Demerger Share Entitlement Ratio Report



1. SCOPE OF WORK

The management of WTL with strategic intent of restructuring and development of business intends to demerge its Demerged Undertaking to another company, JWTL with effect from appointed date 01.04.2011. The demerger is proposed to be carried out through a Scheme of Arrangement under Sections 391-394 of the Companies Act, 1956 under which the Demerged Undertaking would be demerged to JWTL and in consideration of demerger, JWTL would allot its Shares to shareholders of WTL as on 1 April 2011 (the "Appointed Date") in the Entitlement Ratio.

2. BRIEF BACKGROUND OF COMPANIES**2.1 WARREN TEA LIMITED (WTL)**

2.1.1 WTL incorporated on 31st May 1977 as a Public Limited Company. WTL is having its registered office at Deohall Tea Estate, P.O. Hooghrija, District Tinsukia, Assam 786 601.

2.1.2 WTL's Authorized Share Capital is Rs.20,00,00,000/-divided into 2,00,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of WTL is Rs.10,71,42,730/- divided into 1,07,14,273 Equity Shares of Rs.10/- each fully paid up.

2.1.3. Board of Director of WTL in its meeting held on 30th January, 2013 have decided to issue bonus share only to public shareholders in the ratio of 7 bonus share for every 10 share held. Issued subscribed & paid up capital of Warren Tea Ltd as a consequences of bonus issue proposed will be Rs. 11,95,08,050 divided into 1,19,50,805 equity share of Rs. 10/- each fully paid.

Warren Tea Limited Demerger Share Entitlement Ratio Report



2.1.4. The Company's Shares are listed in Bombay Stock Exchange Limited (BSE), The Calcutta Stock Exchange Limited (CSE) and The Gauhati Stock Exchange Limited.

2.1.5. The Businesses of WTL are

- Growing, harvesting, manufacturing and selling tea

2.1.6. WTL is engaged in the business of growing, harvesting, manufacturing and selling tea. Such business is carried on by WTL through its 14 tea estates, namely, Balijan (North) Tea Estate, Deohali Tea Estate, Duamara Tea Estate, Hatimara Tea Estate, Rupai Tea Estate, Sealkotee Tea Estate, Tara Tea Estate, Balijan (H) Tea Estate, Deamoolle Tea Estate, Dhoedaam Tea Estate, Rajah Ali Tea Estate, Thowra Tea Estate, Tippuk Tea Estate and Zaloni Tea Estate situated in diverse locations in the State of Assam. JWTL is a relatively new Company and proposes to undertake similar tea business.

2.1.7 During FY 2011, the total income of the company increased to Rs. 213.03 Crores from 202.58 Crores in the preceding year. Proceeds from sale of tea amounted to Rs. 208.37 Crores in FY 2011 as against Rs. 198.74 Crores in FY 2010. WTL's saleable crop was recorded at 14.27 Million Kgs as compared to previous year's production of 14.10 Million Kgs.

2.2 JAMES WARREN TEA PVT. LIMITED (JWTL)

2.2.1 JWTL was incorporated on 10.03.2011. Presently it has issued 50,000 Equity shares of Rs. 10 each. It's registered office is at Assam Dhoedaam Tea Estates, PO: Borahapjan, Dist: Tinsukia, Assam 786150.

2.2.2 JWTL has no significant business or assets at present. It proposes to undertake tea business upon the demerger being effective.

2.2.3 JWTL's Shares are not listed in any stock exchange.

Warren Tea Limited Demerger Share Entitlement Ratio Report



3. THE SCHEME

The scheme provides for demerger of the James Warren Tea Division ("Demerged Undertaking") of WTL to JWTL from 1st April, 2011 ("the appointed date"). The following seven tea estates are comprised in the Demerged Undertaking to be demerged to JWTL:

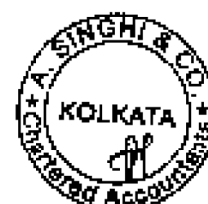
1. Balijan (H) Tea Estate
2. Deamoolie Tea Estate
3. Dhoedaam Tea Estate
4. Thowra Tea Estate
5. Tippuk Tea Estate
6. Zaloni Tea Estate
7. Rajah Ali Tea Estate

The remaining business of WTL will continue to belong to and be managed by WTL. The following seven tea estates will accordingly remain with WTL:

1. Balijan (North) Tea Estate
2. Deohall Tea Estate
3. Duamara Tea Estate
4. Hatimara Tea Estate
5. Rupai Tea Estate
6. Sealkotee Tea Estate
7. Tara Tea Estate

In consideration of the demerger, JWTL will issue and allot to all the shareholders of WTL, equity shares in JWTL credited as fully paid up in JWTL to all the shareholders of WTL in the same entitlement Ratio. Consequently all shareholders of WTL will also become shareholders of JWTL.

Warren Tea Limited Demerger Share Entitlement Ratio Report



4. DATA OBTAINED:

4.1 We have obtained the following documents:-

- a) Draft of proposed Scheme of Arrangement between WTL and JWTL under Sections 391 and 394 of the Companies Act, 1956.
- b) Memorandum and Articles of Association of WTL and JWTL.
- c) Audited Annual Accounts of WTL for the year ended on March 31, 2011.
- d) Statement of Assets and Liabilities of Demerged Undertaking as on 31 March 2011. The said statement is annexed as Annexure "A" hereto. The Net Asset value of the Demerged Undertaking as per such statement comes to Rs.70,16,78,482/-.

4.2.1 We have obtained various other information, explanations, data, documents, accounts and statements which we considered necessary for the purpose of our report, including for the purpose of considering and recommending the Entitlement Ratio as on 1st April, 2011.

5. CONSIDERATION OF FACTORS

We have also considered the following factors for recommending issue of shares by JWTL to the shareholders of WTL in consideration of demerger of Demerged Undertaking of WTL:

5.1 JWTL shall be earning income from Demerged Undertaking.




5.2 As on the appointed date, seven out of fourteen Tea Estates shall be transferred to the demerged entity as aforesaid and form part of JWTL including all property, rights and powers and all debts, liabilities, duties and obligations of WTL comprised in and/or pertaining to the above mentioned tea estates as on the Appointed Date. Post the demerger, both, WTL and JWTL shall have production capacities of approximately equal quantities of tea.

5.3 The right of shareholders of WTL will not be affected on the Demerged Undertaking being demerged from WTL because they will be allotted shares of JWTL in the same proportion of their holding in WTL.

5.4 Since the face value of shares is Rs.10 each, avoiding of fractions is desirable.

5.5 JWTL is a relatively new company having small capital of Rs 5,00,000/- and has not undertaken any substantial business. Consequent to the demerger, the shareholders of WTL will become shareholders of JWTL upon allotment of shares in the same Entitlement Ratio. Hence, valuation of relative interests of shareholders of WTL and JWTL is not considered necessary. By reasons thereof, no business valuation of either JWTL or the Demerged Undertaking is required to be undertaken for the present exercise. The value of Equity Shares of JWTL is considered at par. The Entitlement Ratio is recommended on the basis of financial structure of JWTL considered appropriate after the demerger.

6. RECOMMENDATION

After considering all the aforesaid and other relevant factors including enhanced capital base of WTL post bonus issue as well as Information and data provided to us and obtained by us, we are of the opinion that the Entitlement Ratio of allotment to the shareholders of WTL of 1 (One) Equity Share of Rs.10/- each in JWTL, credited as fully paidup for every 1 (One) Equity Share of Rs.10/- each held by them in WTL in consideration of the demerger is fair and reasonable and we, accordingly, recommend the same.

Warren Tea Limited Demerger Share Entitlement Ratio Report



7. DISTRIBUTION OF REPORT

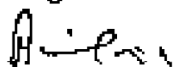
This Entitlement Ratio Report is prepared exclusively for the Management of Warren Tea Limited and shall only be used for the proposed purpose outlined in the context and Purpose Section. It is not to be used, referred to or distributed for any other purpose without our written permission. While due care has been exercised in carrying out the engagement, we shall not accept any responsibility or liability to third parties to whom our opinion report may have been shown or into whose hands it may come. Such parties are advised to carry out their own independent assessment or to obtain professional advice before taking relevant decisions.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work and look forward to continuing our professional association.

Yours faithfully,

For and on behalf of

A. SINGHI & CO
Chartered Accountants
Firm Registration No. 319226E


(ANIL SINGHI)
PARTNER

Membership No. 054556
DATE : 14-01-2013



Warren Tea Limited Demerger Share Entitlement Ratio Report

Annexure A

Statement of Assets & Liabilities of Demerged Undertaking as on 31 March 2011

I. Liabilities	
(1) Non-Current Liabilities	
(a) Long-term borrowings	2,99,55,303
(b) Deferred tax liabilities (Net)	59,86,848
(d) Long term provisions	7,25,78,659
(2) Current Liabilities	
(a) Short-term borrowings	
(b) Trade payables	6,29,72,681
(c) Other current liabilities	2,79,26,741
(d) Short-term provisions	4,86,62,323
Total	24,80,82,555
II. Assets	
(1) Non-current assets	
(a) Fixed assets	
(i) Tangible assets	47,46,41,900
(ii) Intangible assets	14,40,712
(iii) Capital work-in-progress	57,47,832
(b) Non-current investments	1,59,63,349
(2) Current assets	
(b) Inventories	7,75,93,445
(c) Trade receivables	6,43,73,111
(d) Cash and cash equivalents	26,21,09,095
(e) Short-term loans and advances	3,19,55,226
(f) Other current assets	1,59,36,367
Net Asset Value	
	70,16,78,482




Report of Audit Committee recommending draft Scheme of Arrangement

14 February 2013

1. Draft of the Scheme of Arrangement between Warren Tea Limited ("WTL") and James Warren Tea Private Limited ("JWTL") and their respective shareholders for demerger of James Warren Tea Division (Demerged Undertaking) of WTL to JWTL with effect from 1 April 2011 was considered by the Audit Committee in its meeting held on 14 February 2013.
2. The Committee noted the following:-
 - i. The Board of Directors of WTL at its meeting held on 11th August, 2012 had already approved the Scheme of Arrangement. Pursuant to such resolution, the Scheme of Arrangement has already been filed with the Stock Exchanges on 29th August, 2012 for their approval under clause 24(f) of the listing agreements. Such approvals were awaited.
 - ii. In the meantime, the Securities and Exchange Board of India ("SEBI") vide its circular No.CIR/CFD/DIL/5/2013 dated 4th February, 2013 has revised the requirements for consideration and approval of the Scheme by the Stock Exchanges and SEBI. Such circular now requires the above said Scheme of Arrangement to be also considered and recommended by the Audit Committee of Directors of WTL.
 - iii. Since filing of the Scheme with the Stock Exchanges, it was proposed to review and update the Scheme, inter alia, to reflect the proposed issue of bonus shares to the public shareholders to the exclusion of promoters as approved by the Board of Directors of WTL on 30th January, 2013; alteration of objects clause of JWTL to include tea business in its main objects clause; and change of name of JWTL to 'James Warren Tea Private Limited' from 'Dashabhooja Mercantile & Tourism Private Limited'.
3. The minutes of the meeting of the Board of Directors of WTL held on 11 August 2012 and 30th January, 2013 and the following documents were placed before the Audit Committee:
 - a. Draft of the updated Scheme of Arrangement;



- b. Report dated 14 February 2013 of Messrs. A. Singhi & Co , Chartered Accountants on the entitlement ratio of shares in consideration of the demerger; and
4. The Committee has reviewed the Report dated 14 February 2013 of independent Chartered Accountants, Messrs. A Singhi & Co, on the entitlement ratio of shares in consideration of the demerger. The said report takes into consideration the proposed issue of bonus shares. After appraisal of the methodology and basis followed by the said Chartered Accountants and going through the workings in detail, the Committee is satisfied with the report and finds the suggested entitlement ratio of 1 (one) Equity Share of JWTL for every 1 (one) Equity Share of JWTL to be fair and reasonable.
5. The Committee also confirms its concurrence with the rationale for demerger as already approved by the Board and recorded in the minutes of the Board meeting. The updated Scheme as placed before the meeting is in order.
6. The Committee hereby approves and recommends the Scheme.

By order of the Audit Committee


Chairman

FAIRNESS OPINION REPORT

On the Entitlement Ratio

Recommended by A Singhi & Co.

On Demerger of the

James Warren Tea Division

of

Warren Tea Limited

to

James Warren Tea (P) Limited

MERCHANT BANKERS' REPORT

February 14, 2013



Microsec Capital Limited

7, Camac Street,
Azimganj House, 2nd Floor
Kolkata - 700 017

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1. **INTRODUCTION**
2. **PURPOSE OF FAIRNESS OPINION**
3. **LEGAL DISCLAIMER**
4. **SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS
OPINION**
5. **BRIEF BACKGROUND OF THE COMPANIES UNDER REFERENCE**
6. **RATIONALE ADOPTED BY THE FINANCIAL ADVISOR FOR ASCERTAINING
THE ENTITLEMENT RATIO**
7. **ENTITLEMENT RATIO**
8. **OPINION ON ENTITLEMENT RATIO**



1. INTRODUCTION

Warren Tea Limited ("WTL"/"the Company") is primarily engaged in the business of growing, harvesting, manufacturing and selling tea. The equity shares of WTL are listed on the BSE Limited, Calcutta Stock Exchange Limited and The Gauhati Stock Exchange Limited.

The business of WTL is being carried out through its 14 tea estates, namely, Balijan (North) Tea Estate, Deohall Tea Estate, Dugmara Tea Estate, Hatimara Tea Estate, Rupai Tea Estate, Sealkotee Tea Estate, Tara Tea Estate, Balijan (H) tea estate, Deeamoolie tea estate, Dhoedhaam tea estate, Rajah Ali tea estate, Thowra tea estate, Tippuk tea estate and Zaloni tea estate situated in diverse locations in the State of Assam.

The management of WTL with strategic intent of restructuring and development of business intends to demerge its James Warren Tea Division to another company i.e. James Warren Tea (P) Limited ("JWTL") with effect from appointed date 1st April 2011. The demerger is proposed to be carried out through a Scheme of Arrangement under Sections 391 and 394 of the Companies Act, 1956.

Through proposed scheme of arrangement under Sections 391 and 394 of the Companies Act, 1956 the James Warren Tea Division of WTL would be demerged to JWTL and in consideration of demerger, JWTL would allot its shares to the shareholders of WTL in the Entitlement Ratio.

"James Warren Tea Division" means entire business and activities of WTL comprised in the following seven tea estates of WTL:

1. Balijan (H) tea estate
2. Deeamoolie tea estate
3. Dhoedhaam tea estate
4. Rajah Ali tea estate
5. Thowra tea estate
6. Tippuk tea estate
7. Zaloni tea estate

The entitlement ratio for the scheme of demerger of Warren Tea Limited ("WTL") has been recommended by report of A Singhi & Co., Chartered Accountants (the "Financial Advisor").

For the purpose of ascertaining the fairness of the entitlement ratio, WTL has appointed Microsec Capital Limited ("Microsec") as an independent Merchant Banker for furnishing a fairness opinion on the entitlement ratio recommended by Financial Advisor.



2. PURPOSE OF FAIRNESS OPINION

Under the listing laws, companies going through any arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc. are required to obtain a "Fairness Opinion" from an Independent Merchant Banker on the entitlement ratio recommended by the Financial Advisors.

3. LEGAL DISCLAIMER

The Company has requested us to issue a Fairness Opinion Report on the Entitlement Ratio Report given by A Singhi & Co. on demerger of James Warren Tea Division of the Company to James Warren Tea (P) Limited ("JWTL"). In preparing this Fairness Opinion Report, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information provided to us.

In furnishing the Report, we reserve the right to amend or replace the Report at any time. Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future.

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

4. SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS OPINION

We have prepared the Fairness Opinion Report on the basis of the following information provided to us:

- Draft of proposed Scheme of Arrangement between WTL and JWTL under Sections 391 and 394 of the Companies Act, 1956;
- Entitlement ratio Report dated February 14, 2013 issued by A Singhi & Co.;
- Memorandum and Articles of Association of WTL and JWTL;
- Audited Annual Financial statements of WTL and JWTL for the financial year 2010-11;
- Statement of Assets and Liabilities of Demerged Undertaking as on 31 March 2011;
- Notice dated January 13, 2013 of 35th Annual General Meeting of the Company
- Other data collated by us from publicly available sources;



We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives and representatives of the companies.

5. BRIEF BACKGROUND OF THE COMPANIES UNDER REFERENCE

WARREN TEA LIMITED ("WTL"/"the Company"), is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Deohall Tea Estate, P.O. Hoogrija, District Tinsukia, Assam 786 601. WTL is primarily engaged in the business of growing, harvesting, manufacturing and selling tea through its 14 tea estates. The equity shares of WTL are listed on the BSE Limited, Calcutta Stock Exchange Limited and the Gushati Stock Exchange Limited. At present WTL has a paid up share Capital of Rs.10,71,42,730/- divided into 1,07,14,273 Equity Shares of Rs.10/- each fully paid up. WTL has proposed to issue Equity Shares by way of bonus shares only to the public shareholders to the exclusion of promoters which has been approved by the Board of Directors of WTL on 30th January, 2013. The capital base of WTL will increase accordingly to Rs.11,95,08,050/- divided into 1,19,50,805 Equity Shares of Rs.10/- each fully paid up.

JAMES WARREN TEA PRIVATE LIMITED ("JWTL") is a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Dhoothaam Tea Estate, PO Borahapjan, District Tinsukia, Assam 786 150. It has a paid up share capital of Rs. 5 Lakhs. It is incorporated for the purpose of transfer of Demerged Undertaking from WTL and proposes to undertake tea business upon the demerger being effective. The equity shares of JWTL are not listed with any stock exchange.

6. RATIONALE ADOPTED BY THE FINANCIAL ADVISOR FOR ASCERTAINING THE ENTITLEMENT RATIO

The net asset value of James Warren Tea Division is arrived at by considering the assets and liabilities pertaining to such division as on 31st March, 2011 since the division is to be transferred with effect from 1 April, 2011. According to the report of Financial Advisor, net assets value of James Warren Tea Division is Rs. 70.17 Crores. However since shares in consideration of the demerger will be issued only after the Scheme becomes effective to all the shareholders of WTL holding shares in WTL as on a Record Date to be fixed which date will be after the issue of bonus shares having regard to the current timelines, the enhanced capital base of 1,19,50,805 Equity Shares has been assumed by the Financial Advisors for the purpose of recommending the Entitlement Ratio for the demerger.

JWTL shall be earning income from demerged undertaking. As on the appointed date, seven out of fourteen Tea Estates shall be transferred to the demerged entity as aforesaid and form part of JWTL including all property, rights and powers and all debts, liabilities, duties and obligations of WTL



comprised in and/or pertaining to the above mentioned tea estates as on the Appointed Date. Post the demerger, both WTL and JWTL shall have production capacities of approximately equal quantities of tea.

The right of shareholders of WTL will not be affected even after demerger of James Warren Tea Division from WTL because they will be allotted shares of JWTL in the same proportion of their holding in WTL.

JWTL is a relatively new company having small capital of Rs.5 Lakhs. Consequent to the demerger, the shareholders of WTL will become shareholders of JWTL upon allotment of shares in the same proportion of their holding in WTL. Hence, valuation of relative interests of shareholders of WTL and JWTL has not been considered by the Financial Advisor. By reason thereof, no business valuation of either JWTL or the James Warren Tea Division is required to be undertaken for the present exercise. The value of Equity Shares of JWTL is considered at par.

7. ENTITLEMENT RATIO

Based on the aforesaid, the Financial Advisor has arrived at the Entitlement Ratio of 1:1 i.e. the shareholders of Warren Tea Limited will receive 1 (one) equity share of Rs. 10/- each of James Warren Tea (P) Limited for every 1 (one) equity share of Rs. 10/- each held by them in Warren Tea Limited.

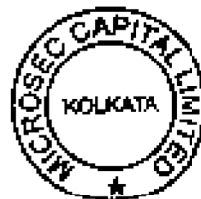
8. OPINION ON ENTITLEMENT RATIO

Based on the information, material and data made available to us, including the Report of the Financial Advisor and the working thereto, in our opinion the Entitlement Ratio recommended by the Financial Advisor is fair and proper.

For Microsec Capital Limited



Manav Goenka
Vice President
Investment Banking



PRE ARRANGEMENT SHAREHOLDING PATTERN OF JAMES WARREN TEA PVT.LTD.

		Pre	
		No. of Shares	%
A.	Promoters (Individuals)	50,000	100.00
B.	Public	-	-
Total		50,000	100.00

James Warren Tea Private Limited
[Signature]
 Authorized Signatory

James Warren Tea Pvt. Limited
Projected Post Arrangement Shareholding Pattern

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	%
(A)	Shareholding of Promoter and Promoter			
1	Indian			
(a)	Individuals/Hindu Undivided Family	11	2788039	23.24
(b)	Bodies Corporate	3	1677755	13.98
	Sub Total (A)(1)	14	4465794	37.22
2	Foreign			
(a)	Individuals	1	4000	0.03
(b)	Bodies Corporate	8	4527005	37.72
	Sub Total (A)(2)	9	4531005	37.75
	Total Shareholding of Promoter (A) = and Promoter Group	23	8897799	74.97
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds / UTI	1	43	0.00
(b)	Financial Institutions/Banks	6	1958	0.02
(c)	Insurance Companies	1	179	0.00
	Sub-Total (B)(1)	8	2180	0.02
B2	Non-Institutions			
(a)	Bodies Corporate	184	118047	0.97
(b)	Individuals	11438	2884090	24.03
(c)	Any Other (Trust)	5	880	0.01
	Sub-Total (B)(2)	11635	3000828	25.01
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	11643	3003008	25.03
	Total (A)+(B)	11664	12000805	100.00
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
1	Promoter and Promoter Group	0	0	0
2	Public	0	0	0
	Sub-Total (C)	0	0	0
	GRAND TOTAL (A)+(B)+(C)	11664	12000805	100.00

Notes: 1) Based on position as at 31.12.2012 of Warren Tea Limited as well as James Warren Tea Pvt.Ltd.
2) This includes bonus shares proposed to be issued only to its public shareholders by Warren Tea Limited

James Warren Tea Private Ltd., 100
[Signature]
Amphibious Road, 100

Name of the Company: **JAMES WARREN TEA PRIVATE LIMITED**

(Figures in Rs.)

	As per last Audited Financial Year (As at 31-03-2012)	1 year prior to the last Audited Financial Year	2 year prior to the last Audited Financial Year
Equity Paid up Capital	1,00,000	1,00,000	1,00,000
Reserves and surplus	-	-	-
Carry forward losses	-	-	-
Net Worth	41,915	45,415	61,525
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	-	-	-
Total Expenditure	-	-	-
Profit before Tax	-	-	-
Profit after Tax	-	-	-
Cash profit	-	-	-
EPS	-	-	-
Book value	4.19	4.54	6.15

ANNEXURE II

Format of Compliance Report on Corporate Governance

Name of the Company:

Date:

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49 I		
(A) Composition of Board	49 (IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 (IID)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)		The Company has no Subsidiary Companies.
IV. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)		Not applicable
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

Note:

- The details under each head shall be provided to incorporate all the information required as per the provisions of the Clause 49 of the Listing Agreement.
- In the column No.3, compliance or non-compliance may be indicated by Yes/No/N.A. For example, if the Board has been composed in accordance with the Clause 49 I of the Listing Agreement, "Yes" may be indicated. Similarly, in case the company has no related party transactions, the words "N.A." may be indicated against 49 (IV A).
- In the remarks column, reasons for non-compliance may be indicated, for example, in case of requirement related to circulation of information to the shareholders, which would be done only in the AGM/EGM, it might be indicated in the "Remarks" column as – 'will be complied with at the AGM'. Similarly, in respect of matters which can be complied with only where the situation arises, for example, "Report on Corporate Governance" is to be a part of Annual Report only, the words "will be complied in the next Annual Report" may be indicated.