



ANNUAL REPORT

1998 - 1999

**COMPANY APPLICATION NO.387 OF 1999
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 : **WILTON INVESTMENTS LTD.**, a Company incorporated under the Companies Act, 1956 and having its registered office at 14B, Gurusaday Road, Calcutta-700 019 within the aforesaid jurisdiction;

And

IN THE MATTER OF : **ROSSELL TEA LTD.**, a Company incorporated under the Companies Act, 1956 and having its registered office at 14B, Gurusaday Road, Calcutta-700 019 within the aforesaid jurisdiction.

1. WILTON INVESTMENTS LTD.
2. ROSSELL TEA LTD. Applicants

NOTICE CONVENING MEETING

To
The Equity Shareholders of :
Rossell Tea Ltd.

TAKE NOTICE that by an order made on the 12th day of July, 1999 the Hon'ble High Court at Calcutta has directed that a meeting of the Equity Shareholders of the abovenoted company be convened and held at "Kala Kunj", 48, Shakespeare Sarani, Calcutta-700 017 on Thursday, the 19th day of August, 1999 at 3.00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of Wilton Investments Ltd. with Rossell Tea Ltd.

TAKE FURTHER NOTICE that in pursuance of the said order, a meeting of the Equity Shareholders of the said company will be held at "Kala Kunj", 48, Shakespeare Sarani, Calcutta-700 017 on Thursday, the 19th day of August, 1999 at 3.00 p.m. when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting 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 Company at 14B, Gurusaday Road, Calcutta-700 019 not later than 48 hours before the meeting.

This Court has appointed Shri Maharaj Sinha, Advocate to be the Chairman of the said Meeting.

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

Dated this 15th day of July, 1999.

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

Sd/- Maharaj Sinha
Chairman appointed for the Meeting

Drawn by :
Sd/- Naresh Balodia, Advocate
S. Jalan & Company
6/7A, Acharya Jagadish Chandra Bose Road,
Calcutta-700 017.

Settled by :
Sd/- Anjan Kumar Mitra/15.07.99
Assistant Registrar (Company)
High Court, Original Side,
Calcutta.

**COMPANY APPLICATION NO.387 OF 1999
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And

IN THE MATTER OF : **ROSSELL TEA LTD.**, a Company incorporated under the Companies Act, 1956 and having its registered office at 14B, Gurusaday Road, Calcutta-700 019 within the aforesaid jurisdiction.

1. WILTON INVESTMENTS LTD.
2. ROSSELL TEA LTD. Applicants

STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. The accompanying Notice has been sent for convening a Meeting of the Equity Shareholders of Rossell Tea Ltd., the 2nd Applicant Company, for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of Wilton Investments Ltd. (hereafter referred to as '**the Transferor Company**') with Rossell Tea Ltd. (hereafter referred to as '**the Transferee Company**') and their respective Shareholders whereby and whereunder the entire undertaking of the Transferor Company together with all rights, interests, claims, debts and obligations of the Transferor Company relating thereto, is proposed to be transferred to and vested in Transferee Company on the terms and conditions stated in the Scheme of Amalgamation. The detailed terms of the Scheme of Amalgamation are given in the enclosed draft of the Scheme.
2. The circumstances which justify and/or necessitate the said Scheme of Amalgamation are, inter alia, as follows :
 - (a) The Transferor Company is a non-banking finance company engaged in the business of leasing. Its entire business of leasing is done with the Transferee Company. As the business prospect of non-banking companies has become grim, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company under the Scheme of Amalgamation. The Scheme of Amalgamation will result in the establishment of a larger company with larger resources and the larger capital and financial base and enable growth and development of its business.
 - (b) The entire business of leasing of the Transferor Company is done with the Transferee Company. The amalgamation of the Company will help the Transferee Company to streamline its business and help it to carry on its business more competitively.
 - (c) The Scheme will enable the Transferee Company to cut its business losses and to function in more efficient manner and enjoy the economy of scale and will result in reduction of overhead and other expenses, and administrative and procedural work and proper and more productive utilisation of various resources.

- (d) The said Scheme will strengthen and consolidate the position of the amalgamated Company and will enable the amalgamated Company to increase its profitability.
- (e) The Scheme will have beneficial result for the Transferee Company and the Shareholders and the real value of shares will increase.

3. Details of financial position of the Transferor Company i.e. **Wilton Investments Ltd.** and the Transferee Company i.e. **Rossell Tea Ltd.** :

(A) **WILTON INVESTMENTS LTD. (WILTON) :**

(a) The accounts of Wilton have been audited upto the year ended 31st March, 1999. The following summary extracted from the said accounts indicates the financial position of Wilton as follows:-

(i) Wilton has neither issued nor agreed to issue any Debentures.	
(ii) <u>Current Assets, Loans & Advances:</u>	
Bank Balances	Rs. 24,71,132
Interest Receivable	Rs. 29,833
	<u>Rs. 25,00,965</u>
Less : <u>Current Liabilities & Provisions</u>	
Current Liabilities	Rs. 14,50,027
Provisions for Taxation (net)	Rs. 1,80,645
	<u>Rs. 16,30,672</u>
Net Current Assets	<u>Rs. 8,70,293</u>
(iii) Paid-up Share Capital	Rs. 35,05,400
Reserves & Surplus	Rs. 27,98,443
	<u>Rs. 63,03,843</u>
Less : Miscellaneous Expenditure to the extent not written off or adjusted	Rs. 11,685
Net Shareholders' Fund	<u>Rs. 62,92,158</u>
Assets	Rs. 79,22,830
Less : Liabilities	Rs. 16,30,672
	<u>Rs. 62,92,158</u>

(b) Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of Wilton except those arising or resulting from the usual course of business.

(B) **ROSSELL TEA LTD. (ROSSELL) :**

(a) The accounts of Rossell have been audited upto the year ended 31st March, 1999. The following summary extracted from the said accounts indicates the financial position of Rossell as follows :-

- (i) Rossell has neither issued nor agreed to issue any Debentures.

(ii) Current Assets, Loans & Advances :

Inventories	Rs. 85,36,207
Sundry Debtors	Rs. 69,30,019
Cash & Bank Balances	Rs. 10,11,01,095
Other Current Assets	Rs. 5,28,05,020
Loans and Advances	Rs. 2,53,48,257
	<u>Rs. 19,47,20,598</u>

Less : Current Liabilities
& Provisions

Current Liabilities	Rs. 3,55,52,564
Provisions	Rs. 1,31,19,310
	<u>Rs. 4,86,71,874</u>

Net Current Assets	<u>Rs. 14,60,48,724</u>
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(iii) Paid-up Share Capital	Rs. 4,53,65,170
Reserves & Surplus	Rs. 25,39,70,068
	<u>Rs. 29,93,35,238</u>

Less : Miscellaneous Expenditure to the extent not written off or adjusted	Rs. 70,825
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Net Shareholders' Fund	<u>Rs. 29,92,64,413</u>
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Assets	Rs. 35,44,78,189
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Less : Liabilities	Rs. 5,52,13,776
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	<u>Rs. 29,92,64,413</u>
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4. The salient features of the Scheme of Amalgamation are summarised as follows:

- (i) With effect from the appointed date, the undertaking of the Transferor Company shall, without further act or deed, be transferred to and vested in the Transferee Company pursuant to Section 394(2) of the Companies Act, 1956 subject however, to all charges, liens, lispendencies, if any, affecting the same or any part thereof.
- (ii) If any suit, appeal or any other proceedings whatsoever in nature (hereafter called '**the Proceedings**') by or against the Transferee Company and the Transferor Company be pending, the same shall not abate, be discontinued or be in any way substantially affect by reason of transfer of the undertaking of the Transferor Company or anything contained in the Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company if this Scheme had not been made.
- (iii) The transfer of the properties and liabilities under Clause (i) hereof and the continuance of proceedings by or against the Transferee Company under Clause (ii) hereof shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the appointed date to the end

on the intent that the Transferee Company accepts all acts, deeds and things done and executed by or on behalf of the Transferor Company as acts, deeds and things done and executed by or on behalf of the Transferee Company.

- (iv) Subject to the provisions contained in the Scheme all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively, as if, instead of the Transferor Company, the Transferee Company had been a party thereto. This, however, will not affect the existing lease agreements between the Transferor Company and the Transferee Company which will be automatically extinguished upon the Scheme becoming effective.
- (v) Upon the Scheme becoming effective and transfer taking place as stipulated under Clause (i) hereof-
- (a) All the employees of the Transferor Company shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the transfer of the undertaking of the Transferor Company to the Transferee Company.
- (b) The Equity Shares of the Transferor Company be cancelled and value thereof be set off with the value of investments in the books of the Transferee Company.
- (c) All receivables of the Transferor Company from the Transferee Company will be extinguished.
- (d) The Transferor Company will be dissolved without winding up immediately upon filing of the certified copy of the order sanctioning the Scheme with the Registrar of Companies.

5. The Board of Directors of the Transferor Company and the Transferee Company at their respective Board Meetings by resolution passed unanimously approved the said Scheme of Amalgamation.

6. (a) The Directors of Rossell i.e. the Transferee Company hold the following number of equity shares in Rossell:

<u>Name of the Directors</u>	<u>No. of Equity Shares held</u>
1. Mr. H.M. Gupta	2257
2. Dr. S.S. Baijal	1500
3. Mr. R.N. Deogun	1500

- (b) The followings are the common Directors of the Transferee Company and the Transferor Company:
- (i) Mr. H.M. Gupta, Managing Director, designated as Executive Vice Chairman of the Transferee Company is also a Director of the Transferor Company.
- (ii) Mr. R.N. Deogun, Managing Director of the Transferee Company is also a Director of the Transferor Company.

Save as aforesaid none of the directors of the Transferee Company and the Transferor Company have any material interest in the Scheme of Amalgamation.

7. The aggregate assets of the Transferor Company are more than sufficient to meet the aggregate liabilities of the Transferor Company. The Scheme will not adversely affect the rights of any of the creditors of the Transferor Company in any manner whatsoever.

8. There are no proceedings pending under Sections 235 to 251 of the Companies Act, 1956 against any of the applicant companies.
9. The Transferee Company is holding 100% Equity Shares of the Transferor Company. The investment was made at par value of the Equity Shares and therefore the investment of Equity Shares of the Transferee Company is equal to Equity Share Capital of the Transferor Company. The Scheme will not adversely affect the Transferee Company as the investment in the books of the Transferee Company will be cancelled by Equity Share Capital of the Transferor Company.
10. Copies of the following documents are open for inspection at the registered office of the Transferor Company and the Transferee Company between 11.00 a.m. and 1.00 p.m. on any working day:-
 - (a) Memorandum & Articles of Association of the Transferor Company;
 - (b) Memorandum & Articles of Association of the Transferee Company;
 - (c) Annual Report and Accounts of the Transferor Company & the Transferee Company for the year ended 31st March, 1999;
 - (d) Register of Directors' Shareholdings of the Transferor Company and the Transferee Company.
11. After the proposed Scheme is approved by you, it will be subject to the subsequent approval by the Hon'ble High Court at Calcutta.

Sd/- Maharaj Sinha
Chairman appointed for the Meeting

Drawn by :
Sd/- Naresh Balodia, Advocate
S. Jalan & Company
6/7A, Acharya Jagadish Chandra Bose Road,
Calcutta-700 017.

Settled by :
Sd/- Anjan Kumar Mitra/15.07.99
Assistant Registrar (Company)
High Court, Original Side,
Calcutta.

**SCHEME OF AMALGAMATION
OF
WILTON INVESTMENTS LTD.
WITH
ROSSELL TEA LTD.**

PART - I

Definitions :

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

- A. The '**Act**' means The Companies Act, 1956 ;
- B. '**Wilton**' means Wilton Investments Ltd., a Company incorporated under the Companies Act, 1956, having its registered office at 14B, Gurusaday Road, Calcutta-700 019 in the State of West Bengal;
- C. '**Rossell**' means Rossell Tea Ltd., a Company incorporated under the Companies Act, 1956, having its registered office at 14B, Gurusaday Road, Calcutta-700 019 in the State of West Bengal;
- D. '**The Transferor Company**' means Wilton;
- E. '**The Transferee Company**' means Rossell;
- F. '**Appointed Date**' means 1st day of April, 1999;
- G. '**Effective Date**' means the date or the last of the dates on which the certified copies of the order passed by the Hon'ble High Court at Calcutta sanctioning this Scheme of Amalgamation is filed with the Registrar of Companies, West Bengal by Wilton and Rossell;
- H. '**Undertaking of the Transferor Company**' means all the properties, assets, investments and liabilities of the Transferor Company as on the effective date i.e. without prejudice to the generality of the foregoing clauses, the said undertaking shall include all rights, powers, interest, authorities, privileges, liberties and all properties and assets, moveable or immovable, freehold or leasehold, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situate including lands, buildings, machineries, vehicles, office equipment, inventories, investments in shares and other securities, sundry debtors, cash and bank balances, loans and advances, leases and all other interests and rights in or arising out of such property together with all licences, trade marks, patents, copyrights, import entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by the Transferor Company for which the Transferor Company is entitled to and all debts, liabilities, duties and obligations of the Transferor Company of whatsoever kind.

WHEREAS :

1. Wilton, the Transferor Company, has an Authorised Share Capital of Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each and an Issued, Subscribed and Paid-up Share Capital of Rs.35,05,400/- divided into 3,50,540 Equity Shares of Rs.10/- each. The entire Issued and Paid-up Share Capital of Wilton is held by Rossell;

2. Rossell, the Transferee Company has an Authorised Share Capital of Rs.5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10/- each and an Issued, Subscribed and Paid-up Share Capital of Rs.4,53,65,170/- divided into 45,36,517 Equity Shares of Rs.10/- each. Out of the above, 30,35,717 Equity Shares have been issued for consideration other than cash;
3. Wilton is the 100% Subsidiary Company of Rossell;
4. Wilton is a non-banking finance company engaged in the business of leasing and registered with Reserve Bank of India. Its entire leasing business is done with Rossell only;
5. In view of the grim business prospect of non-banking finance companies, it has been considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company and to pull the resources of both the Transferor Company and the Transferee Company for the optimum growth and development of the Transferee Company under the Scheme of Amalgamation. Since Rossell is the Holding Company of Wilton, the amalgamation will help Rossell to cut its business expenses and will result in the establishment of a bigger company with larger resources and the larger capital and financial base and enable Rossell to develop its business. The Scheme will result in advantages of economy of scale, administrative convenience and other benefits and will be advantageous to both the Transferor Company and the Transferee Company and all concerned. The Transferee Company will be able to streamline its management.

PART - II

1. With effect from the appointed date, the undertaking of the Transferor Company shall, without further act or deed, be transferred to and vested in the Transferee Company pursuant to Section 394(2) of the Act subject, however, to all charges, liens, lispendences, if any, affecting the same or any part thereof.
2. If any suit, appeal or any other proceedings whatsoever in nature (hereafter called '**the Proceedings**') by or against the Transferee Company and the Transferor Company be pending, the same shall not abate, be discontinued or be in any way substantially affect by reason of transfer of the undertaking of the Transferor Company or anything contained in the Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company if this Scheme had not been made.
3. The transfer of the properties and liabilities under Clause 1 hereof and the continuance of proceedings by or against the Transferee Company under Clause 2 hereof shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the appointed date to the end on the intent that the Transferee Company accepts all acts, deeds and things done and executed by or on behalf of the Transferor Company as acts, deeds and things done and executed by or on behalf of the Transferee Company.
4. Subject to the provisions contained in the Scheme all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively, as if, instead of the Transferor Company, the Transferee Company had been a party thereto. This, however, will not affect the existing lease agreements between the Transferor Company and the Transferee Company which will be automatically extinguished upon the Scheme becoming effective.

5. Upon the Scheme becoming effective and transfer taking place as stipulated under Clause 1 hereof -
 - (a) All the employees of the Transferor Company shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the transfer of the undertaking of the Transferor Company to the Transferee Company.
 - (b) The Equity Shares of the Transferor Company be cancelled and value thereof be set off with the value of investments in the books of the Transferee Company.
 - (c) All receivables of Wilton from Rossell will be extinguished.
 - (d) The Transferor Company shall be dissolved without winding up immediately upon filing of the certified copy of the Order sanctioning the Scheme with the Registrar of Companies.

PART - III

1. The Transferor Company and the Transferee Company shall make necessary application to the Hon'ble High Court at Calcutta for obtaining sanction of the Court to this Scheme and for the consequent dissolution without winding up of the Transferor Company.
2. Until the Scheme is sanctioned and transfer effected as aforesaid, the Transferor Company shall carry on its business in its usual course and shall be deemed to be carried on the same business for and on behalf of and in trust for the Transferee Company with effect from the appointed date. Accordingly, all profits accruing to the Transferor Company or losses arising or incurred by the Transferor Company for the period commencing from the appointed date shall for all purposes be treated as profits or losses, as the case may be, of the Transferee Company.
3. With effect from the appointed date and upto and including the date on which the undertaking of the Transferor Company is duly transferred to the Transferee Company as provided herein, the Transferor Company shall be deemed to have and stood possessed of the properties so to be transferred to the Transferee Company for and on account of and in trust for the Transferee Company and accordingly the Transferor Company shall not (without prior written consent of the Transferee Company) alienate, charge or otherwise deal with or dispose of the said undertaking or any part thereof except in the usual course of business.
4. The Transferee Company shall pay all costs, charges, expenses of and incidental to the Scheme of Amalgamation.
5. The Board of Directors of the Transferee Company and the Transferor Company or any person authorised by them may assent on behalf of all concerned to any modification to the Scheme of Amalgamation or to any condition which the Hon'ble High Court at Calcutta or the Government or any other authority may impose or which the said Board of Directors may in sole discretion think fit for the purpose of effectively carrying out the Scheme and the said Board of Directors may further do all acts, deeds and things and give such directions as they may consider necessary and/or expedient for the purpose of implementing the Scheme and/or settling any question, doubt or difficulties arising under this Scheme or in any manner connected therewith.