

Ref No. 2989/23

9 January 2024

The Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street, Fort,
Mumbai 400001
(Scrip Code : 500245)

Dear Sir / Madam,

Subject : Update in respect of ISMT Limited

Pursuant to Regulation 30(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; we submit a copy of the intimation (which is self-explanatory) filed with the stock exchanges by ISMT Limited, the subsidiary of the Company.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Kirloskar Ferrous Industries Limited

Mayuresh Gharpure
Company Secretary

Encl : a/a

ISMT LIMITED
Solutions You Can Trust

ISMT/SEC/23-24

January 09, 2024

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G Block, Bandra
Kurla Complex, Bandra (E),
Mumbai-400051
(Symbol: ISMTLTD)

Corporate Relationship Department
BSE Ltd
PJ Towers, Dalal Street, Fort,
Mumbai-400001
(Scrip Code: 532479)

Dear Sir / Madam,

Subject: Update to the disclosure dated 5 November 2022 made in respect of the Scheme of Arrangement and Merger of ISMT Limited ('**Transferor Company / ISMT**') with Kirloskar Ferrous Industries Limited ('**Transferee Company / KFIL**') and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('**Scheme**')

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of and as an update to the previous communication vide the letter ref. ISMT/SEC/23-24 dated 25 July 2023; this is to inform you that a Joint Company Scheme Application was filed earlier with KFIL before the Hon'ble National Company Law Tribunal, Mumbai ('NCLT') in relation to the proposed Scheme and that the NCLT has passed an order ("**Order**") dated 4 January, 2024 (which has been uploaded on the website of NCLT on 8 January, 2024 in the evening), directing ISMT and KFIL, to *inter-alia* convene the meetings of its respective equity shareholders through video conferencing for the purpose of considering and, if thought fit, approving with or without modification(s) the arrangement embodied in the Scheme. A copy of the said Order is enclosed herewith for ready reference.

KFIL and ISMT are currently taking steps before the Hon'ble NCLT to seek necessary amendments / clarifications to the Order to facilitate convening of the aforesaid meetings of equity shareholders of KFIL and ISMT.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For ISMT Limited

EKTARE
NISHIKANT
BALAKRISHNA
Digitally signed by
EKTARE NISHIKANT
BALAKRISHNA
Date: 2024.01.09
17:37:44 +05'30'

Nishikant Ektare
Managing Director
Encl.: As above



ISO/IA TF: 16949:2016

Corporate & Registered Office
Panama House (Earlier known as Lunkad Towers),
Viman Nagar, Pune- 411 014, India.
Phone: +91 20 4143 4100 | Fax: +91 20 26630779
E-mail: secretarial@ismt.co.in Website: www.ismt.co.in
CIN: L27109PN1999PLC016417



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ISO: 9001:2015



BS ISO 45001:2018
ISO: 14001:2015

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In the matter of the Companies Act, 2013;

AND

In the matter of

*Sections 232 to Section 230 of the
Companies Act, 2013 and other applicable
provisions of the Companies Act, 2013*

*read with Companies (Compromises,
Arrangements and Amalgamation) Rules,
2016;*

AND

In the matter of

*The Scheme of Arrangement and Merger
of*

ISMT Limited

("Transferor Company No. 1")

With

Kirloskar Ferrous Industries Limited

("Transferee Company")

And their respective Shareholders.

ISMT Limited

[CIN: L27109PN1999PLC016417]

... First Applicant Company/
Transferor Company

Kirloskar Ferrous Industries Limited

[CIN: L27101PN1991PLC063223]

... Second Applicant Company/
Transferee Company

Order delivered on 04.01.2024

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Coram:

Shri. Prabhat Kumar
Hon'ble Member (Technical)

(Justice) Shri V. G. Bisht
Hon'ble Member (Judicial)

Appearances :

For the Applicant(s) : Mr. Hemant Sethi a/w Mr.
Narendra Dingankar, Mr.
Rushad Irani i/b Pioneer Legal.

ORDER

1. Heard the Ld. Counsel for the Applicant Companies.
2. The Learned Counsel for the Applicant Companies submits that the present Scheme is a Scheme of arrangement and merger of ISMT Limited (hereinafter referred to as the "**First Applicant Company**"), into Kirloskar Ferrous Industries Limited (hereinafter referred to as the "**Second Applicant Company**") and their respective shareholders ("**Scheme**") under the provisions of Section 230 and Section 232 and other applicable provisions of the Companies Act, 2013 ("**Act**").
3. The Learned Counsel for the Applicant Companies submits that the Board of Directors of the First Applicant Company and the Second Applicant Company in their respective meetings held on November 5, 2022, have approved the Scheme. The Appointed date for the Scheme is April 1, 2023.
4. The Share Capital of the Applicant Companies as on September 15, 2023 is as under:
 - i. The Authorised Share Capital of the First Applicant Company is INR 158,50,00,000/- (Indian Rupees One Hundred and Fifty-Eight Crores and Fifty Lakhs Only) divided into 31,70,00,000

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(Thirty One Crore Seventy Lakh) Equity Shares of INR 5/- (Indian Rupees Five Only) each. The Issued, subscribed and paid-up Share Capital of the First Applicant Company is INR 150,25,06,915/- (Indian Rupees One Hundred and Fifty Crores and Twenty Five Lakhs Six Thousand Nine Hundred and Fifteen Only) divided into 30,05,01,383 (Thirty Crores Five Lakhs One Thousand Three hundred and Eighty Three) of INR 5/- (Indian Rupees Five Only) each.

ii. The Authorised Share Capital of the Second Applicant Company is INR 222,00,00,000/- (Indian Rupees Two Hundred and Twenty Crores Only) consisting of (i) equity share capital of INR 105,00,00,000/- (Indian Rupees One Hundred and Five Crores Only) divided into 21,00,00,000 (Twenty One Crore) equity shares of INR 5/- (Indian Rupees Five Only) each; and (ii) preference share capital of INR 117,00,00,000/- (Indian Rupees One Hundred and Seventeen Crores Only) divided into 11,70,00,000 (Eleven Crore Seventy Lakh) preference shares of INR 10/- (Indian Rupees Ten Only) each. The Issued, subscribed and paid-up share Capital of the Second Applicant Company is INR 69,49,88,545/- (Indian Rupees Sixty Nine Crore Forty Nine Lakh Eighty Eight Thousand Five Hundred and Forty Five Only) divided into 13,89,97,709 (Thirteen Crore Eighty Nine Lakh Ninety Seven Thousand Seven Hundred and Nine) equity shares of INR 5/- (Indian Rupees Five Only) each.

iii. The Learned Counsel for the Applicant Companies further submits the introduction and rationale for the Scheme:-

5. That the Transferor Company/ The First Applicant Company is mainly engaged in the business of manufacturing specialty alloy,

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bearing steel and seamless tubes. The First Applicant Company is listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”). The Transferee Company / Second Applicant Company is engaged in the business of manufacturing pig iron and grey iron castings and caters to industry sectors such as tractors, automotives and diesel engines. The Second Applicant Company is listed on BSE. The Second Applicant Company also has unsecured redeemable non-convertible debentures listed on the wholesale debt market segment of BSE.

6. The objects / rationale of the Scheme are as under:
 - i. Synergy arising out of consolidation of the business of the First Applicant Company and the Second Applicant Company will make the business activities more sustainable in the long term as well as help them grow at a faster pace;
 - ii. Create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, expanded reach, higher cross selling opportunities to a larger base of customers, improvement in productivity amongst others;
 - iii. Better administration and cost optimization are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses as well as compliance cost;
 - iv. Pooling of resources and achieving economies of scale;
 - v. Greater integration and flexibility to the Second Applicant

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Company and strengthening of its position in terms of asset base, revenues and service range;

- vi. The Second Applicant Company has fully backward integrated operations ranging from iron ore mines to machined castings as well as a very strong client base across the globe. The First Applicant Company is one of the most diversified manufacturers of specialized seamless tubes in the world, producing tubes in the range of 6 to 273 mm diameter. Merging of the business of the First Applicant Company will bring the benefits of forward integration and diversification of product portfolio to the business of the Second Applicant Company;
- vii. The merger would result in mitigating the risks of the First Applicant Company relating to procurement of certain input raw material; and
- viii. The First Applicant Company's investments and business plan had not panned out as expected and that led to its debt obligations becoming stressed. However, with combining of operations of the First Applicant Company with the Second Applicant Company, benefits of better terms of finance and availability of capital will help in streamlining and improving the financial operations of the merged entity.

It is further submitted that the Merger would therefore be in the best interest of the shareholders of the respective parties to the Scheme and shall not in any manner be prejudicial to the interests of the concerned shareholders or the creditors or general public at large.

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7. The consideration of the Scheme, as determined by the Valuation Reports of (i) Mr. Amit Suresh Jain, ACA dated November 5, 2022 for the First Applicant Company; and (ii) M/s. BDO Valuation Advisory LLP dated November 5, 2022 for the Second Applicant Company. The share exchange ratio is as follows:

For Equity Shareholders of the Transferor Company/ First Applicant Company:

*“Upon coming into effect of this Scheme and in consideration of the merger of the Transferor Company into and with the Transferee Company including transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company, in terms of this Scheme, on the basis of Valuation Report dated 5 November 2022 and Fairness Opinion dated 5 November 2022, the Transferee Company shall without any further application or deed, be required to issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company, 17 Transferee Company Shares, credited as fully paid-up, for every 100 equity shares of the face value of Rs. 5 each fully paid-up held by such member in the Transferor Company ("**Share Exchange Ratio**").”*

8. The Learned Counsel for the Applicants states that the First Applicant Company is a subsidiary of the Second Applicant Company and 51.25% of the paid-up share capital of the First Applicant Company is held by the Second Applicant Company. He further states that the Second Applicant Company is one of the promoters of the First

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Applicant Company and is in sole control of the First Applicant Company.

9. The Learned Counsel for the Applicant Companies submits that the First Applicant Company is listed on BSE and NSE and has 80,211 (Eighty Thousand Two Hundred and Eleven) equity shareholders as on September 1, 2023.
10. The Learned Counsel for the Applicant Companies submits that the Second Applicant Company is listed on BSE and allowed to be traded on NSE until October 26, 2023 and has 83,576 (Eighty Three Thousand Five Hundred and Seventy Six) equity shareholders as on September 1, 2023.
11. The Learned Counsel for the Applicant Companies states that pursuant to the SEBI circular dated November 23, 2021, as amended from time to time (“**SEBI Circular**”), read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) the Applicants had applied to BSE and NSE for their “Observation Letter”/ “No Objection Letter” to file the Scheme for sanction with the Hon’ble National Company Law Tribunal (“**Tribunal**”). BSE and NSE by their separate letters dated July 25, 2023, have respectively given their “Observation Letter”/ “No Objection Letter” to both the Applicant Companies to file the Scheme with this Tribunal.
12. **Meetings of The Shareholders of the Applicant Companies**
 - 12.1. In the Company Application, the Applicant Companies have prayed for holding the meetings of the equity shareholders of the Applicant Companies, through Video Conferencing (‘**VC**’) or Other Audio-Visual Means (‘**OAVM**’) for the purpose of

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considering and, if thought fit, approving with or without modification(s), the Scheme and for issuing appropriate directions incidental for holding of such meetings.

- 12.2. This Tribunal hereby directs that a meeting of the Equity Shareholders of the First Applicant Company be convened and held on Thursday, December 28, 2023 at 11.00 a.m. for the purpose of considering, and if thought fit, approving the proposed Scheme, through VC / OAVM, without the requirement of physical presence of shareholders at a common venue as per the applicable operating procedures issued by the Ministry of Corporate Affairs (“MCA”) (including, but not limited to General Circular 09/2023 dated September 25, 2023 issued by the MCA), with necessary modifications as stated herein or as may be required.
- 12.3. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Second Applicant Company be convened and held within 30 days from the date of uploading of the order. for the purpose of considering, and if thought fit, approving the proposed Scheme, through VC / OAVM, without the requirement of physical presence of shareholders at a common venue as per the applicable operating procedures issued by the MCA (including, but not limited to General Circular 09/2023 dated September 25, 2023 issued by the MCA), with necessary modifications as stated herein or as may be required.
- 12.4. In view of the provisions of Section 230 (4) read with Section 108 of the Act read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with

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Regulation 44 (1) of the SEBI Listing Regulations, the First Applicant Company shall provide the facility of remote e-voting to its' equity shareholders in respect of the resolution to be passed at the meeting. The equity shareholders of the First Applicant Company are also allowed to avail the facility of e-voting during the meeting to be held through VC/ OAVM within thirty days from the date of uploading of the order. The e-voting facility for the equity shareholders of the First Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, as applicable.

- 12.5. In view of the provisions of Section 230 (4) read with Section 108 of the Act read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44 (1) of the SEBI Listing Regulations, the Second Applicant Company shall provide the facility of remote e-voting to its' equity shareholders in respect of the resolution to be passed at the meeting. The equity shareholders of the Second Applicant Company are also allowed to avail the facility of e-voting during the meeting to be held through VC/ OAVM on within thirty days from the date of uploading of the order. The e-voting facility for the equity shareholders of the Second Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing

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Regulations and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

- 12.6. At least 1 (one) month before the VC/ OAVM meeting of the respective Applicant Companies, an advertisement about convening of the said meeting, indicating the day, date and time, shall be published by the respective Applicant Companies in the Financial Express (Pune Edition) in the English language and Marathi translation thereof in Loksatta (Pune Edition). The publication shall indicate the time within which the copies of the Scheme shall be made available to the concerned persons free of charge, from the registered office of the respective Applicant Companies. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230-232 of the Act can be obtained free of charge at the registered office of the respective Applicant Companies or at the office of their Advocates, i.e. Pioneer Legal 901/9th Floor, Nariman Bhavan, Nariman Point, Mumbai 400021, in accordance with second proviso to sub-section (3) of Section 230 of the Act and Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter referred to as the “**Merger Rules**”).
- 12.7. At least 1 (one) month before the aforesaid meetings of the equity shareholders, a notice (in Form No. CAA.2) convening the said meetings, indicating the day, date and time containing instructions with regard to remote e-voting and e-voting during VC/ OAVM meeting, together with a copy of the Scheme, a

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copy of the explanatory statement required to be furnished pursuant to Section 102 of the Act read with the provisions of Sections 230 – 232 of the Act and Rule 6 of the Merger Rules, shall be sent by each Applicant Company through electronic mode to those equity shareholders of the each Applicant Company whose e-mail IDs are registered with the concerned Registrar and Share Transfer Agent/ concerned depository participants/ each Applicant Company in terms of circular dated December 28, 2022 read together with circulars dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, May 5, 2022 and September 25, 2023 (including any amendments and clarifications thereto), issued by the Ministry of Corporate Affairs, as applicable to the manner in which notices are required to be sent. The Applicant Companies shall ensure that, the equity shareholders (including those whose e-mail addresses are not available with the Applicant Companies or who have not received notice convening said meetings) can access / download the said notices from the website of the Applicant Companies viz., <https://www.ismt.co.in/> and <https://www.kirloskarferrous.com> and the websites of the Stock Exchanges, i.e., BSE and NSE at www.bseindia.com and www.nseindia.com, respectively (as applicable). The said notices will mention the procedure to register and vote on the resolution proposed under respective notices. The notice shall be sent to those respective equity shareholders of each Applicant Company whose names appear in the respective register of members/ list of beneficial owners on a cut off date to be determined by the Board of Directors, or any committee thereof, of each Applicant Company. The equity shareholders

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of each Applicant Company holding shares either in physical form or in a dematerialized form, as on the cut-off date, would be entitled to cast their vote by remote e-voting or e- voting during the VC/ OAVM meeting of the respective Applicant Companies.

- 12.8. Mr. D.P. Senwal, IRS Retd. Contact No: 9410786888, Email: deviprasad_senwal@yahoo.com, is appointed as the Chairperson of the meeting of the equity shareholders of the First Applicant Company including for any adjournment or adjournments thereof. The Chairperson shall be paid a fee of INR 2,00,000/- (Indian Rupees Two Lakhs Only) for conducting and convening the aforesaid meeting.
- 12.9. Mr. Virendra Singh. Retired IRS, Email virendra30@gmail.com , Mobile No.9013143333, is appointed as the Chairperson of the meeting of the equity shareholders of the Second Applicant Company including for any adjournment or adjournments thereof. The Chairperson shall be paid a fee of INR 2,00,000/- (Indian Rupees Two Lakhs Only) for conducting and convening the aforesaid meeting.
- 12.10. The Chairpersons appointed for the aforesaid meetings shall issue the advertisements and send out the notices of the respective meetings referred to above. The Chairpersons are free to avail the services of the respective Applicant Companies or any agency for carrying out the aforesaid directions. The Chairpersons of the meetings shall have all powers under the Articles of Association of the respective Applicant Companies and also under the Merger Rules in relation to the conduct of the meetings, including for deciding any procedural questions

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that may arise at the meetings or at adjournment or adjournments thereof proposed at the said meetings, amendment(s) to the aforesaid Scheme or resolution, if any, proposed at the aforesaid meetings by any person(s) and also procedural questions in respect of proposed amendment(s) to the aforesaid Scheme or resolution, if any, and to ascertain the outcome of the respective meetings of the equity shareholders (including public shareholders) by remote e-voting and e-voting during the respective VC/ OAVM meetings.

- 12.11. The number and value of the equity shares of the equity shareholders, shall be in accordance with the records, books or registers of the respective Applicant Companies or depository records on the cut-off date to be determined by the Board of Directors, or any committee thereof, of the respective Applicant Companies and where the entries in the records, books or registers are disputed, the Chairpersons of the respective meetings shall determine the number or value, as the case may be, for purposes of the meetings and their decision in that behalf shall be final.
- 12.12. The Chairpersons to file an affidavit not less than 7 (seven) days before the date fixed for the holding of the respective meetings and to report to this Tribunal that the directions regarding the issue of notices and the advertisements of the meetings, have been duly complied with as per Rule 12 of the Merger Rules.
- 12.13. The Chairpersons shall report to this Tribunal on the result of the said meetings (in Form No. CAA.4), verified by his affidavit as per Rule 14 of the Merger Rules within 10 days after the conclusion of the respective meetings.

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- 12.14. The quorum for the respective meetings of the equity shareholders of the Applicant Companies shall be as prescribed under Section 103 of the Act. The equity shareholders attending the meetings through VC/ OAVM shall also be counted for the purpose of reckoning the quorum under Section 103 of the Act. In case the required quorum as stated above is not present at the commencement of the meetings, the meetings shall be adjourned by 30 (thirty) minutes and thereafter, the shareholders present shall be deemed to constitute the quorum.
- 12.15. The voting by proxy shall not be permitted in the case of meeting of equity shareholders of the First Applicant Company. However, voting in case of body corporate be permitted, provided the prescribed form/ authorisation is filed with the First Applicant Company at its Registered Office or at secretarial@ismt.co.in not later than 48 (forty-eight) hours before the start of the aforesaid meeting as required under Rule 10 of the Merger Rules.
- 12.16. The voting by proxy shall not be permitted in the case of meeting of equity shareholders of the Second Applicant Company. However, voting in case of body corporate be permitted, provided the prescribed form/ authorisation is filed with the Second Applicant Company at its Registered Office or at kfilinvestor@kirloskar.com not later than 48 (forty-eight) hours before the start of the aforesaid meeting as required under Rule 10 of the Merger Rules.
- 12.17. The SEBI Circular requires that the Scheme shall be approved by the public shareholders of the First Applicant Company and Second Applicant Company. The voting in respect of the same

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is to be carried out through remote e-voting and e-voting during the VC/ OAVM meeting. Since the respective Applicant Companies are directed to convene the meetings of their equity shareholders, which includes public shareholders, and voting in respect of equity shareholders which includes public shareholders is through remote e-voting and e- voting at the time of the VC/ OAVM meetings, it is sufficient compliance of the SEBI Circular. However, the Scrutinizer appointed for the respective meetings shall also separately indicate in their reports, the result of the remote e-voting and e-voting during the respective VC/ OAVM meetings in respect of the public shareholders.

12.18. Mr. Milind Kasodekar, ICSI No. F2756 COP 1681, Contact No: 9822394380, Email:Milind.kasodekar@kmdscs.com appointed as the Scrutinizer for the meeting of the equity shareholders (including public shareholders) of the First Applicant Company. The Scrutinizer shall be paid a fee of INR 50,000/- (Indian Rupees Fifty Thousand Only) for services rendered.

12.19. Mr. Kamal Lahoty, Practicing Company Secretary (Membership No.: FCS-9411, COP No.: CP-11152), email kamal.lahoty@gmail.com Mob 7666902551, is appointed as the Scrutinizer for the meeting of the equity shareholders (including public shareholders) of the Second Applicant Company. The Scrutinizer shall be paid a fee of INR 50,000/- (Indian Rupees Fifty Thousand Only) for services rendered.

13. That there are no Preference Shareholders of the First Applicant Company and the Second Applicant Company as on the date of the

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Company Application. As such, the convening and holding of a meeting of the preference shareholders of the Applicant Companies, to consider and approve the Scheme does not arise.

14. It is submitted that, under the Scheme, no arrangement or compromise is offered to any of the Secured Creditors or the Unsecured Creditors of the First Applicant Company or Second Applicant Company in respect of their claims and no liability of the Secured Creditors or the Unsecured Creditors is being reduced or extinguished under the Scheme.
15. As per the financial position as at March 31, 2023, in the case of the First Applicant Company, there is an excess of assets over liabilities to the tune of approximately INR 1,514,81,00,000/- (Indian Rupees One Thousand Five Hundred and Fourteen Crores and Eighty One Lakhs Only). As per the financial position as at March 31, 2023, in the case of the Second Applicant Company, there is an excess of assets over liabilities to the tune of approximately INR 1,618,50,00,000/- (Indian Rupees One Thousand Six Hundred and Eighteen Crores and Fifty Lakhs Only). In addition to the aforesaid, there will also be an excess of assets over liabilities to the tune of approximately INR 3,004,78,00,000/- (Indian Rupees Three Thousand and Four Crores and Seventy Eight Lakhs Only) in the Second Applicant Company upon effectiveness of the Scheme (expected, based on March 31, 2023).
16. That there are 3 secured creditors of the aggregate value of INR 115,31,25,258/- (Indian Rupees One Hundred and Fifteen Crores Thirty One Lakhs Twenty Five Thousand Two Hundred and Fifty Eight Only) in the First Applicant Company as on July 31, 2023. In

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terms of the SEBI Circular, the First Applicant Company has obtained No Objection Certificates to the Scheme from 100% of the secured creditors (comprising of lending scheduled commercial banks/ financial institutions), in value terms. The No Objection Certificates issued by the secured creditors of the First Applicant Company are annexed to the Company Application.

17. The Learned Counsel for the Applicant Companies submits that as on July 31, 2023, there are 9 (nine) secured creditors of the aggregate value of INR 660,59,86,828/- (Indian Rupees Six Hundred and Sixty Crores Fifty Nine Lakhs Eighty Six Thousand Eight Hundred and Twenty Eight Only) in the Second Applicant Company. Out of the said 9 (nine) secured creditors, 6 (six) secured creditors are entities who supply raw material to the Second Applicant Company. They have been classified as secured creditors solely because the Second Applicant Company is contractually obliged to open Letters of Credit in their favour. The Second Applicant Company has not borrowed any money from the said 6 (six) secured creditors and they are not lending institutions. The remaining 3 secured creditors are lending scheduled commercial banks/ financial institutions of the Second Applicant Company.
18. In terms of the SEBI Circular, the Second Applicant Company has obtained No Objection Certificates to the Scheme from the aforesaid 3 secured creditors who are lending scheduled commercial banks/ financial institutions of the Second Applicant Company. These 3 secured creditors also constitute 100% of the secured creditors comprising of lending scheduled commercial banks/ financial institutions, in value terms.

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19. It is submitted that under the circumstances, the meetings of the secured creditors of the Applicant Companies are not required to be called for as the interest of the secured creditors of the Applicant Companies are not affected in view of what is stated above.
20. In light of the submissions made by the Learned Counsel for the Applicant Companies and as recorded in the above paragraphs, the convening and holding of the meetings of the secured creditors of the Applicant Companies is dispensed with. The Applicant Companies are also directed to issue individual notices of filing of the Company Application to their respective Secured Creditors (Via Speed post-AD/ Registered Post and through email) stating that representations, if any, in relation to the Scheme, may be submitted to this Hon'ble Tribunal within a period of 30 (thirty) days from the date of receipt of such notices, with a copy thereof to the respective Applicant Companies, failing which, it shall be presumed that they have no representations to make on the Scheme.
21. That there are 1,079 (One Thousand and Seventy Nine) Unsecured Creditors of the aggregate value of INR 159,46,01,122.88/- (Indian Rupees One Hundred and Fifty Nine Crores Forty Six Lakhs One Thousand One Hundred and Twenty Two and Eighty Eight Paise Only) in the First Applicant Company as on July 31, 2023. The certificate issued by the Statutory Auditors of the First Applicant Company certifying the same as on July 31, 2023.
22. That there are 1,001 (One Thousand and One) unsecured creditors of the aggregate value of INR 1,217,77,43,356/- (Indian Rupees One Thousand Two Hundred and Seventeen Crores Seventy Seven Lakhs Forty Three Thousand Three Hundred and Fifty Six Only) in the Second Applicant Company as on July 31, 2023. The certificate issued

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by the Statutory Auditors of the Second Applicant Company certifying the same as on July 31, 2023. Copies of no objection certificates received by the Second Applicant Company from certain Unsecured Creditors, including 100% of its NCD (Non-Convertible Debenture) holders and the debenture trustee is annexed to the Company Application.

23. Since the present Scheme is an arrangement between the Applicants and their shareholders as contemplated in Section 230(1)(b) of the Act and not in accordance with the provisions of Section 230(1)(a) of the Act, as there is no compromise or arrangement with creditors as it does not affect the rights and interests of the Unsecured Creditors of the Applicant Companies. Further, there is no diminution of liability of any of the Unsecured Creditors of the Applicant Companies who will be paid off in the ordinary course of business.
24. In light of the arguments of the Learned Counsel for the Applicant Companies, the meeting of the Unsecured Creditors of the Applicant Companies are dispensed with. However, this bench hereby directs the First Applicant Company to issue notice to each of its Unsecured Creditors having outstanding amount of more than INR 5,43,000/- (Indian Rupees Five Lakhs Forty Three Thousand Only) constituting more than 95% in value and the Second Applicant Company to issue notice to each of its Unsecured Creditors having outstanding amount of more than INR 81,00,000/- (Indian Rupees Eighty One Lakhs Only) constituting more than 95% in value, by Registered Post-AD/ Speed Post and through E-mail (to those Unsecured Creditors whose email addresses are duly registered with the respective Applicant Companies), at their last known addresses as per the records of the respective Applicant Companies. The notices issued to the Unsecured

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Creditors shall also state that representations, *if any, in relation to the Scheme, may be submitted to this Hon'ble Tribunal within a period of 30 (thirty) days from the date of receipt of such notices*, with a copy thereof to the respective Applicant Companies, failing which, it shall be presumed that they have no representations to make on the Scheme. The Applicant Companies shall also, publish the said notices to their Unsecured Creditors in the Financial Express (Pune Edition) in the English language and Marathi translation thereof in Loksatta (Pune Edition).

25. That the Applicant Companies are directed to serve notices along with copy of Scheme under the provisions of Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 upon the-
- (i) Central Government through the office of Regional Director, Western Region, Mumbai;
 - (ii) Jurisdictional Registrar of Companies;
 - (iii) Jurisdictional Income Tax Authority within whose jurisdiction, the Applicant Company's assessment are made; and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address:- 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in];
 - (iv) Jurisdictional GST Authority(s) (proper officer), within whose jurisdiction such companies are assessed to tax under GST law;
 - (v) SEBI;
 - (vi) BSE;
 - (vii) NSE;

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- (viii) Ministry of Corporate Affairs; and
- (ix) Any other Sectoral/ Regulatory Authorities relevant to the Petitioner Companies or their business.

The Transferor Company is also directed to serve the Copy of Scheme upon the Official Liquidator, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- 26. The Notice shall be served through by Registered Post-AD/ Speed Post/ Hand Delivery and email along with copy of Scheme and state that “*If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme*”. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the noticee.
- 27. The Applicant Companies will submit –
 - a. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.
 - b. List of pending IBC cases, if any, along with all other litigation pending against the Applicant Companies having material impact on the proposed Scheme.
 - c. The Applicant Companies shall submit details of all Letters of Credit sanctioned and utilized as well as Margin Money details; if any.
- 28. The Applicants shall also host the notices on their respective website(s).

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29. The Applicant Companies to file affidavit of service in the Registry proving dispatch of notices to the regulatory authorities and dispatch of notices to creditors of the Applicant Companies and to report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

Prabhat Kumar
Member (Technical)

Sd/-

Justice V. G. Bisht
Member (Judicial)