



JAI BALAJI INDUSTRIES LIMITED

Ref : JBIL/SE/2023-24

Date : 13-12-2023

To
The Manager
**Listing Department,
National Stock Exchange of India Limited**
"EXCHANGE PLAZA", C-1, Block G
Bandra - Kurla Complex, Bandra (E)
Mumbai - 400 051
(Company's Scrip Code: JAIBALAJI)

To
The Manager,
**Dept. of Corporate Services
BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
(Company's Scrip Code: 532976)

Dear Sir,

Sub: Approval of the National Company Law Tribunal, Kolkata Bench ("NCLT Kolkata") to the Scheme of arrangement for Amalgamation of Jai Balaji Energy (Purulia) Limited ("Applicant Company / Transferor Company" No. 1) and Jai Balaji Steels (Purulia) Limited ("Applicant Company / Transferor Company No.2) with " Jai Balaji Industries Limited (" Transferee Company")

Ref: Our letters dated 22nd July, 2022, 20th September, 2022, 21st December, 2022 & 3rd March, 2023 in this matter

This is in continuation to our above mentioned letters w.r.t. a scheme of amalgamation of two wholly owned subsidiaries, Jai Balaji Energy (Purulia) Limited & Jai Balaji Steels (Purulia) Limited with its holding Company, Jai Balaji Industries Limited, pursuant to Sections 230 to 232 of the Companies Act, 2013 ("Scheme").

In this regard, we are pleased to inform that the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) has approved the said Scheme of Amalgamation vide its order dated 11th December, 2023, and the same was available for download from the NCLT portal on 13th December, 2023. A copy of the said order is enclosed as **Annexure - 1** for your reference.

The scheme of amalgamation will become effective once the certified true copy of the said order from NCLT is filed with the Registrar of Companies.

Further kindly note that since the said scheme involved amalgamation of two wholly owned subsidiaries with its holding company, under Regulation 37(6) of the LODR Regulations there was no requirement of obtaining the "No-objection Letter" or "Observation Letter" to the Scheme from Stock Exchanges on which the securities of the Company are listed. Intimation vide letters dated 22nd July, 2022 and 20th September, 2022 was filed with the Stock Exchanges for disclosure purposes in accordance with proviso to Regulation 37(6) of the LODR regulations.

We request you to kindly take the above on record.

Thanking you,

Yours sincerely,

For Jai Balaji Industries Limited

Ajay Kumar Tantia
Company Secretary

Regd. Office : 5, Bentinck Street, 1st Floor, Kolkata- 700 001.

Phone : +91-33-2248 9808, 2248 8173, Fax : +91-33-2243 0021/2210 7893/2242 6263

E-mail : info@jaibalajigroup.com, Website : www.jaibalajigroup.com

CIN - L27102WB1999PLC089755

**THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH-(Court-I)
SPECIAL BENCH
KOLKATA**

C P (CAA) No. 5/ KB /2023
Connected with
C A (CAA) No. 137/KB/2022

A petition under Section 230 read with Section 232 of the Companies Act 2013; read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, and other applicable provisions of law

IN THE MATTER OF:

A Scheme of Amalgamation of (Final Motion):

JAI BALAJI ENERGY (PURULIA) LIMITED, a company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having Corporate Identification No. U40300WB2010PLC154393 and its registered office at 5, Bentinck Street Kolkata-700001, West Bengal.

....Transferor Company No. 1/Petitioner Company No 1

And

JAI BALAJI STEELS (PURULIA) LIMITED, a company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having Corporate Identification No. U27100WB2010PLC154392 and its registered office at 5, Bentinck Street Kolkata-700001, West Bengal.

....Transferor Company 2/Petitioner Company No 2

And

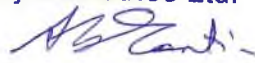
JAI BALAJI INDUSTRIES LIMITED, a company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having Corporate Identification No. L27102WB1999PLC089755 and its registered office at 5 Bentinck Street Kolkata-700001, West Bengal.

.....Transferee Company /Non Petitioner Company

And

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Jai Balaji Industries Ltd.


Company Secretary
AJAY KUMAR TANTI
A-6285

IN THE MATTER OF:

1. Jai Balaji Energy (Purulia) Limited
2. Jai Balaji Steels (Purulia) Limited

. Petitioners

Date of Hearing: 18.8.2023

Date of pronouncing the order: 11.12.2023

CORAM:

Mrs. Bidisha Banerjee : Member (Judicial)

Shri Balraj Joshi : Member (Technical)

Appearances:

Ms. Neha Somani, Practising Company Secretary - For the Petitioners

**Mr. Sudhir Kapoor, Joint Director, Joint Director, Office of the Regional Director
(Eastern Region), MCA**

ORDER

Per Balraj Joshi, Member (Technical):

1. The instant petition has been filed under Section 230(6) read with Section 232(3) of the Companies Act, 2013 ("Act") sanctioning the **SCHEME OF AMALGAMATION** of **Jai Balaji Energy (Purulia) Limited**, being the Petitioner No.1 abovenamed ("Transferor Company 1" or "Petitioner No.1") , **Jai Balaji Steels (Purulia) Limited**, being the Petitioner No.2 abovenamed ("Transferor Company 2" or "Petitioner No.2"), with **Jai Balaji Industries Limited ("Transferee Company")** whereby and whereunder the Transferor Companies are proposed to be amalgamated with the Transferee Company from the **Appointed Date, i.e. 1st April, 2022** in the manner and on the terms and conditions stated in the said Scheme of Amalgamation ("**Scheme**")

SN	NAME OF THE COMPANY	COMPANY AS PER THE	PARTY TYPE	RELEVANT ANNEXURE, PAGE NO. AND VOLUME
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Company Secretary
AJAY KUMAR TANTIYA
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		SCHEME		OF THE COMPANY PETITION
Appointed Date: 1st April, 2022				
I.	JAI BALAJI ENERGY (PURULIA) LIMITED	Transferor Company No. 1	Petitioner No. 1	Scheme of Amalgamation is annexed to the Company Petition being Annexure No. – A in Volume I at Page No. 43 - 72
II.	JAI BALAJI STEELS (PURULIA) LIMITED	Transferor Company No. 2	Petitioner No. 2	

2. The Petition has now come up for final hearing. The Ld. Authorized Representative for the Petitioners submits as follows:-

(a) The Scheme was approved by the respective Board of Directors of all the Petitioner Companies at their meetings held on 22nd July, 2022 respectively.

(b) The circumstances which justify and have necessitated the Scheme and the benefits of the same are, inter alia, as follows:-

- (i) The Transferor Companies are 100% wholly owned subsidiaries of the Transferee Company. The Transferor Companies and Transferee Company propose through this Scheme to amalgamate the Transferor Companies into and with the Transferee Company, which would result in consolidation of their respective financial strength into one entity.
- (ii) Both the subsidiaries have been incorporated in November 2010 with a specific objective of setting up of iron & steel plant with an associated captive power plant & other facilities in Purulia. However, the said project could not be materialized due to downturn in the steel industry with the global economic meltdown, crash of commodity prices. The Steel sector had been adversely impacted by the global steel glut which resulted in predatory pricing and a surge in steel imports into the country. The entire steel industry had gone through a very bad patch. Thus, looking at the viability, the project was dropped.

- (iii) The objective for which the companies were formed is no more in existence. Thus, the continuity of these companies as a separate legal entity is not rationale. It is therefore prudent to merge these companies with their holding company so as to save their operating expenses.
- (iv) The business of the transferor companies and the transferee company can be combined/adjusted and carried forward conveniently with combined strength;
- (v) The amalgamation will enable the transferee company to consolidate its line of business by restructuring and re-organizing its business activities and Capital Structure;
- (vi) The amalgamation will enable the amalgamated companies to broad base their business activities under the roof of the transferee company and lead to business synergy under one roof;
- (vii) The amalgamation will result in economy of scale including reduction in overhead expenses relating to management and administration in better and more productive utilization of various resources;
- (viii) The Business of the transferor companies can be conveniently and advantageously combined together and in general with the business of the transferee company concerned and will be carried on more economically and profitably under the said Scheme;
- (ix) The said Scheme of Amalgamation will enable the establishment of a larger company with larger resources and a larger capital base enabling further development of the business of the company concerned. The said scheme will also enable the undertakings and business of the said Petitioner company to obtain greater facilities possessed and enjoyed by one large company compared with a number of small Company for raising capital, securing and conducting trade on favorable terms and other benefits;
- (x) The said Scheme will contribute in furthering and fulfilling the objects of the Company concerned and, in the growth, and development of these businesses;
- (xi) The Said Scheme will strengthen and consolidate the position of the amalgamated company and will enable the amalgamated companies to increase its profitability;
- (xii) The Said Scheme will enable the undertakings concerned to pool their resources and to expand their activities;

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- (xiii) The Said Scheme will enable the Companies concerned to rationalize and streamline their management, business and finances and to eliminate duplication of work to their common advantages;
- (xiv) The Said Scheme will have beneficial results for the Companies concerned, their shareholders, employees and all concerned.
- (c) The Statutory Auditors of both the Petitioner Companies have by their certificates dated 30th July 2022 confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.
- (d) No proceedings are pending under Sections 210 to 227 of the Companies Act, 2013 against the Petitioners.
- (e) No shares will be allotted by the Transferee Company pursuant to the Scheme of Amalgamation as the entire shares of the Transferor Companies are held by the Transferee Company.
- (f) The shares of the Petitioner Companies are not listed on any stock exchange.
- (g) By an order dated 16th December, 2022 in Company Application (CAA) No. 137/KB/2022, this Tribunal made the following directions with regard to meetings of shareholders and creditors under Section 230(1) read with Section 232(1) of the Act:-
- (a) Meetings of the Equity Shareholders of all the Petitioner Companies are dispensed with under Section 230 (1) read with Section 232 (1) of the Act.
- (h) Consequently, the Petitioners presented the instant petition for sanction of the Scheme. By an order dated 01.03.2023 the instant petition was admitted by this Tribunal and fixed for hearing on 10.04.2023 upon issuance of notices to the Statutory Authorities and advertisement of date of hearing. In compliance with the said order dated 01.03.2023 the Petitioners have duly served such notices on the Central Government through Regional Director, Eastern Region; Registrar of Companies, West Bengal; Official Liquidator; Income Tax Department by hand delivery and by E-mail and on Securities and Exchange Board of India by Speed Post and by E-mail on 2nd March 2023 and 3rd March 2023. The notices have also been published once each in the “Business



Standard” and **“Aajkaal”** in their issue dated 03.03.2023. An affidavit of compliance in this regard has also been filed by them on 09.03.2023.

SN	REGULATORY AUTHORITIES	DATE OF SERVICE	RELEVANT ANNEXURE OF THE AFFIDAVIT OF SERVICE	RELEVANT PAGE NO. OF THE AFFIDAVIT OF SERVICE
BY HAND DELIVERY (THROUGH SPECIAL MESSENGER)				
1.	Regional Director (ER) MCA Kolkata	02.03.2023	A	1
2.	Registrar of Companies	02.03.2023	A	3
3.	Official Liquidator	03.03.2023	A	5
4.	Income Tax Authorities	02.03.2023	A	7
BY SPEED POST				
1.	Securities and Exchange Board of India	02.03.2023	A	9
THROUGH E-MAIL				
1.	Regional Director (ER) MCA Kolkata	02.03.2023	A	2
2.	Registrar of Companies	02.03.2023	A	4
3.	Official Liquidator	02.03.2023	A	6
4.	Income Tax Authorities	02.03.2023	A	8
5.	Securities and Exchange Board of India	02.03.2023	A	10-11
NEWSPAPER PUBLICATION				
1.	Business Standard	03.03.2023	B	20

2.	Aajkaal	03.03.2023	B	21
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- (i) All statutory formalities requisite for obtaining sanction of the Scheme have been duly complied with by the Petitioner Companies. The Scheme has been made bona fide and is in the interest of all concerned.
3. It is submitted by the Ld. Authorized Representative appearing for the Petitioner Companies that there is no compromise or arrangement whatsoever between the Transferee Company and its shareholders or creditors or any other classes of persons within the meaning of Section 230 or 232 of the Companies Act, 2013. The Transferor Companies are wholly owned (100%) subsidiaries of the Transferee Company itself and no shares whatsoever are to be issued by the Transferee Company in terms of the Scheme. The Scheme thus does not involve any reorganization or restructuring of the capital of the Transferee Company.
4. Pursuant to the said advertisements and notices the Regional Director, Ministry of Corporate Affairs, Kolkata (“RD”), have filed their representations before this Tribunal.
5. The Official Liquidator has filed his report dated 6th April, 2023 and concluded as under:-
- 9. That the Official Liquidator on the basis of information submitted by the Transferor Companies is of the view that the affairs of the aforesaid Transferor Companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest as per the provisions of the erstwhile Companies Act, 1956/the Companies Act, 2013, whichever is applicable.*
- 10. That in view of the submission made above, the Hon'ble National Company Law Tribunal may like to pass such order/orders as deemed fit and proper in the facts and circumstance of the case.*
6. The RD has filed his reply affidavit dated 30.03.2023 (“RD affidavit”) which has been dealt with by the Petitioners by their Rejoinder affidavit dated 04.04.2023 (“Rejoinder”). The observations of the RD and responses of the Petitioners are summarized as under:-

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Company Secretary
AJAY KUMAR TANTIA
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Paragraph 2(a) of RD Affidavit:

That it is submitted that as per available record, it appears that no complaint and/or representation has been received against the proposed Scheme of Amalgamation. Further, all the petitioner companies have filed Financial Statements and Annual Returns for the financial year ended 31/03/2022.

Para 3(a) of Rejoinder:

With reference to paragraph 2(a) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

Para 2(b) of RD Affidavit:

It is submitted that in reply to query raised, the Petitioner Companies submitted that the Transferee Company, Jai Balaji Industries Limited is a listed Company with NSE and BSE and as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the prior approval of Stock Exchange is not required in case of merger of wholly owned subsidiary with its holding Company and hence, no approval of Stock Exchange is required here as all the Transferor Companies are wholly owned subsidiaries of the Transferee Company, Jai Balaji Industries Limited.

Para 3(b) of Rejoinder:

With reference to paragraph 2 (b) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

Para 2(c) of RD Affidavit:

It is submitted that the Transferor Companies namely, M/s Jai Balaji Energy (Purulia) Limited and M/s Jai Balaji Steels (Purulia) Limited, did not file Form MGT-14 in respect of resolution passed in Board Meeting for approval of amalgamation, merger or reconstruction of companies as required under section 117(3)(g) read with section 179(3)(i) of the Companies Act, 2013. Once merged, the said Transferor Companies will no longer be able to comply with any statutory requirement and the MCA Portal, which is a public domain, shall continue to host the defective documents for public views and for issuance of certified copies for which the public have to bear cost (fees).

Para 3(c) of Rejoinder:

With reference to paragraph 2(c) of the said affidavit, it is submitted that Form MGT-14 in respect of resolution passed in Board Meeting for approval of amalgamation, merger or reconstruction of companies as required under section 117(3)(g) read with section 179(3)(i) of the Companies Act, 2013 was erroneously missed out to be filed. Further,

the Petitioner Companies have now filed the said MGT-14 in this regard. Copies of Form MGT-14 along with the challan for both the Petitioner Companies are attached herewith and marked as **Annexure-“A”**.

Para 2(d) of RD Affidavit:

The Petitioner Companies should be directed to provide list/details of Assets, if any, to be transferred from Transferor Companies to the Transferee Company upon sanctioning of the proposed Scheme.

Para 3(d) of Rejoinder:

With reference to paragraph 2(d) of the said affidavit, it is submitted that the Schedule of Assets shall be provided by the Company after the pronouncement of the order of the Hon'ble Tribunal.

Para 2(e) of RD Affidavit:

That the Petitioner Company should undertake to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 through appropriate affirmations.

Para 3(e) of Rejoinder:

With reference to paragraph 2(e) of the said affidavit, I undertake to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013.

Para 2(f) of RD Affidavit:

That the Transferee Company should be directed to pay applicable stamp duty on the transfer of the immovable properties from the Transferor Companies to it.

Para 3(f) of Rejoinder:

With reference to paragraph 2(f) of the said affidavit, it is stated that the Transferee Company shall pay the applicable stamp duty, if applicable, on the transfer of immovable properties from the Transferor Companies to it.

Para 2(g) of RD Affidavit:


The Hon'ble Tribunal may kindly direct the Petitioners to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy or no change is made.

Para 3(g) of Rejoinder:

With reference to Paragraph 2(g) of the said affidavit, it is stated that the Scheme of Amalgamation filed with the Company Application (CAA) No. 137/ KB/ 2022 and the Scheme of Amalgamation filed with the Company Petition No. 5/ KB/ 2023 is one and same and there is no discrepancy.

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Para 2(h) of RD Affidavit:

It is submitted that as per instructions of the Ministry of Corporate Affairs, New Delhi, a copy of the scheme was forwarded to the Income tax Department on 29/12/2022 for their views/observation in the matter. However, no such views/observation in the matter from the Income Tax Department has been received yet. Hon'ble Tribunal may peruse the same and issue order as deemed fit and proper.

Para 3(h) of Rejoinder:

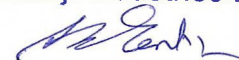
With reference to paragraph 2 (h) of the said affidavit, it is submitted that the same is a matter of record and may be considered as such by the Hon'ble Tribunal.

7. Heard submissions made by the Ld. Authorised Representative appearing for the Petitioner. Also heard the Joint Director appearing on behalf of the RD(ER), who submits that there is no objection to the scheme. Upon perusing the records and documents in the instant proceedings and considering the submissions, we allow the petition and make the following orders:-

- A. The Scheme of Amalgamation being **Annexure "A"**, is hereby sanctioned by this Tribunal from the Appointed Date being **1st April, 2022** and shall be binding on all the Equity Shareholders of the Petitioner Companies and all concerned;
- B. All the assets and properties and interest of the Transferor Companies be transferred without any further act or deed to Transferee Company and become the assets and vest in the transferee Company with all the estate and interest of Transferor Companies pursuant to Section 232 read with Section 230 of the Companies Act 2013;
- C. All the liabilities and duties of the Transferor Companies be transferred without further act or deed to the Transferee Company and shall become liabilities and duties of Transferee Company pursuant to Section 232 read with Section 230 of the Companies Act 2013;
- D. All the employees of the Transferor Companies to be transferred to the Transferee Company;

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- E. All proceedings and/or suits and/or appeals now pending by or against the Transferor Companies shall be continued by or against the Transferee Company;
- F. The Transferee Company is not required to allot shares to the shareholders of the Transferor Companies post amalgamation;
- G. Upon the Scheme being effective, the Transferor Companies shall stand dissolved without winding up;
- H. Leave is granted to the petitioners to file the Schedule of Assets of the Transferor Companies in the form as prescribed in the Schedule to Form No. CAA-7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date the order;
- I. Any person having any objection to the scheme shall be at liberty to approach this tribunal.
8. The Petitioners shall supply legible print out of the scheme and schedule of assets in acceptable form to the Registry and the Registry will append such printout, upon verification to the certified copy of the order.
9. Hence, the **CP (CAA) No. 5/KB/2023** connected with CA (CAA) No. 137/KB/2022 is disposed of accordingly.
10. Urgent certified copy of this order, if applied or, be supplied to the parties, subject to compliance with all requisite formalities.

(Balraj Joshi)
Member (Technical)

(Bidisha Banerjee)
Member (Judicial)

Order Signed on 11th Day of December, 2023

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Company Secretary
AJAY KUMAR SANTIA
F-6285