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18/1/24

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 2

ITEM No.302
C.A.(CAA)/64(AHM)2023

Order under Sections 230-232 of Co. Act, 2013

IN THE MATTER OF:

ARCELORMITTAL NIPPON STEEL INDIA LIMITED
(Amalgamated/ Transferee Co.)

.....Applicant

Order delivered on 10 /01/2024

Coram:

Mrs.Chitra Hankare, Hon'ble Member(J)
Dr.Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

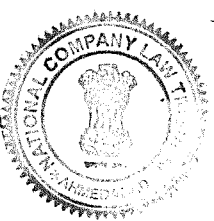
The case is fixed for pronouncement of order. The order is pronounced in open Court vide separate sheet.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)



**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT-2**

CA(CAA)64/(AHM)/2023

[Application under Sections 230-232 read with Section 66 and with other applicable provisions of the Companies Act, 2013 and read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016].

Scheme of Amalgamation and Arrangement

Among

AMNS Khopoli Limited
(formerly Uttam Galva Steels Limited)
(Amalgamating Company)

And

Arcelormittal Nippon Steel India Limited
(Amalgamated Company)

And

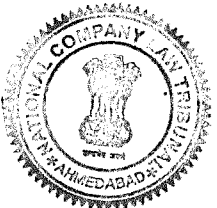
Their respective Shareholders and Creditors

Order Pronounced on 10.01.2024

CORAM:

**MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)**

**DR. VELAMUR G VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**



In the matter of:

Arcelormittal Nippon Steel India Limited

(CIN:U27100GJ1976FLC013787)
an unlisted public limited company
incorporated under the provisions
of the Companies Act, 1956, having
its registered office at AMNS House,
AMNS Township, 27th km, Surat
Hazira Road, Hazira, Surat –
394270, Gujarat, India

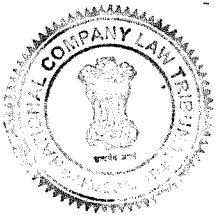
.....Applicant Company/
Amalgamated Company/
Transferee Company

Appearance:

Mr. Rashesh Sanjanwala, Learned Senior Advocate, along with Mr. Raheel Patel, Advocate and Mr. Aalay Shah, Advocate, for the Applicant Company.

JUDGMENT

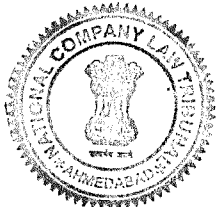
1. This is a Company Application, viz., (CA(CAA)/64(AHM)/2023) filed by the Applicant Company, namely Arcelormittal Nippon Steel India Limited (Amalgamated Company/Transferee Company) under Sections 230-232 of Companies Act, 2013 read with Section 66 and other applicable provisions of the Companies Act, 2013 and read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation and Arrangement between AMNS Khopoli Limited and ArcelorMittal Nippon Steel India Limited (hereinafter referred to as the "Scheme"). The said Scheme is also appended as "Annexure-P/1" to the CA(CAA)/64 (AHM) 2023.



2. The Board of Directors of the Applicant Company have approved the Scheme of Amalgamation and Arrangement through Board Resolution dated 03.11.2023 passed in its Board Meeting. Affidavit in support of the above application was sworn by Mr. Pankaj S. Chourasia, authorized representative of Applicant Company, duly authorized vide Board Resolution dated 03.11.2023 for the Applicant Company. Affidavit and copy of the Board Resolution are placed on record.
3. It is represented that the registered office of the applicant company is situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad, Gujarat, which is falling under the jurisdiction of this Tribunal. The registered office of Amalgamating Company/Transferor Company i.e., AMNS Khopoli Limited, is situated in the State of Maharashtra and hence, the Amalgamating Company/Transferor Company has filed a separate application before the National Company Law Tribunal, Mumbai Bench.
4. The applicant company in this Company Application has sought for the following reliefs;

	Equity Shareholders	Secured Creditors	Unsecured Creditors
Applicant Company / Transferee Company	Directions to convene meeting	N.A	Directions to convene meeting

5. From the certificate of incorporation filed, it is evident that the applicant company is an unlisted public limited company



incorporated under the provisions of the Companies Act, 1956 on 01.06.1976 and its registered office is situated in Surat in the State of Gujarat. The applicant company owns and operates an integrated steel manufacturing facility comprising the unit for manufacturing of flat rolled products at Hazira, a precoated facility at Pune, beneficiation facilities at Kirandul and Dabuna, slurry pipelines, pelletisation facilities at Vizag and Paradeep and mining of iron ore at Keonjhar and Sundargarh. The main objects of the applicant company are described in the last amended Memorandum and Articles of Association, which are enclosed with the present company application. Copy of the audited balance sheet of the applicant company for the year ended 31.03.2023 and the unaudited financial statement as of 31.08.2023, have placed on record.

The details of Share Capital as on 30.09.2023 are as under:-

Share Capital	Amount in INR
Authorized Share Capital	
79,90,00,00,000 Equity Shares of INR 10 each	7,99,00,00,00,000
10,00,00,000 10% Cumulative Redeemable Preference Shares of INR 10 each	1,00,00,00,000
Total	8,00,00,00,00,000
Issued, subscribed and paid-up share capital	
25,04,13,06,142 Equity Shares of INR 10 each	2,50,41,30,61,420
Total	2,50,41,30,61,420



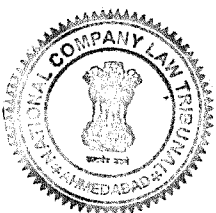
6. **Arcelormittal Nippon Steel India Limited (Amalgamated Company/Transferee Company)**

- (i) There are 7 (two) equity shareholders and 2596 (two thousand five hundred ninety six), with 2595 creditors having a debt of value INR 346,295,934,891/- and 1 creditor having a debt of value USD 1,072,587,266 and the certificates of Chartered Accountant certifying the number of the equity shareholders and unsecured creditors are placed on record.
- (ii) There are no secured creditors. The Chartered Accountant has certified that there are no secured creditors in the applicant company. The certificate of the Chartered Accountant certifying the nil number of Secured Creditors is placed on record.

Applicant Company is seeking directions for convening and holding meetings (either held online or by any other mode as this Tribunal may deem fit and proper) of its shareholders and unsecured creditors.

7. The rationale of the Scheme of Amalgamation stated in the proposed Scheme (approved by Board Resolution dated 03.11.2023) is as under:-

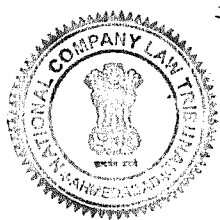
The proposed amalgamation envisaged under this Scheme is in furtherance of the objective to designate the Amalgamated Company as the primary vehicle for operating the steel business



of the ArcelorMittal Nippon Steel joint venture in India, such that all the assets and related liabilities of the Amalgamating Company, which are more suited for the business currently undertaken by the Amalgamated Company, would be amalgamated into and with the Amalgamated Company to improve efficiencies and lead to further synergies.

The management of each of the Parties believes that this Scheme will result in, inter-alia, the following benefits:

- (i) **Creation of synergies:** The concentration of the business of the Amalgamating Company and AMNSI in one entity as contemplated in the Scheme, will enhance combined competitive strength and result in synergies, which shall best serve the existing market.
- (ii) **Streamlining efficient structure:** The proposed amalgamation of the Amalgamating Company into and with AMNSI will remove inefficiencies, unlock intrinsic value of assets and combine similar business interests into a single corporate entity, resulting in simplification, and efficient administration.
- (iii) **Consolidation of business operations:** The proposed amalgamation will achieve consolidation of business operations of the Amalgamating Company and AMNSI, resulting in economies of scale, improved allocation of capital, and optimization of cash flows, which will consequently contribute to the overall growth and value creation of AMNSI. Therefore, the Amalgamated Company, as the amalgamated entity, will have an enhanced value and return for its shareholders.
- (iv) **Reduction in costs:** The proposed amalgamation will enable AMNSI to optimize the resources required for overall general and administrative purposes by avoiding

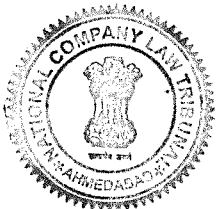


replication of such resources against several group companies operating within the same market. AMNSI will be able to use its existing resources as well as the resources of the Amalgamating Company, which is expected to reduce the cost of maintaining and using separate resources.

- (v) **Value maximization:** The proposed amalgamation envisages the movement of symbiotic assets that are presently held by Amalgamating Company into Amalgamated Company to improve prospects for utilization of such assets, operations and inter-dependency, while simultaneously reducing redundancy, thereby increasing the overall value generated by the businesses in India.
- (vi) **Improved customer satisfaction:** The proposed amalgamation will make it easier to address needs of customers by providing them uniform product and service experience, on-time supplies and improved service levels thereby improving customer satisfaction.
- (vii) **Improved safety, environment and sustainability practices:** The proposed amalgamation will result in increased coverage of plant automation across plants of the Amalgamating Company, by using AMNSI's information technology applications and systems."

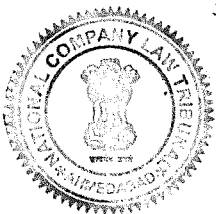
8. The Appointed Date as specified in the Scheme is **10.11.2022**. This application is filed on 06.11.2023.

9. The Statutory Auditor of the applicant company has examined the Scheme in terms of provisions of Section 232 of Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with



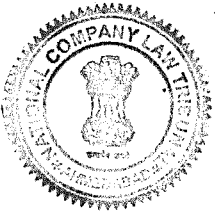
Section 133 of the Companies Act, 2013. The said Certificate is placed on record.

10. The Valuation Report dated 27.10.2023 issued by Mr.Neeraj Garg (Partner-PwC Business Consulting Services LLP), Registered Valuer, having Registration No. IBBI/RV-E/02/2022/158, is placed on record.
11. The shares or any other securities of the applicant company are not listed on any stock exchange.
12. No investigation has been instituted or is pending in relation to the applicant company under the Act or the Companies Act, 1956.
13. The applicant company is not in receipt of any notices in relation to winding up petitions or insolvency petitions being filed against it.
14. The provisions of Section 5 and 6 of Competition Act, 2002 are not applicable to the present Scheme and hence no notice is required to be issued to the said authority.
15. Taking into consideration, the application filed by the applicant company and the documents filed therewith as well as the position of law, this Tribunal propose to issue the following order:-



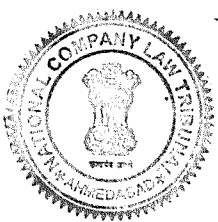
ORDER

- i. Application No. CA(CAA)64/(AHM)/2023 is allowed.
- ii. Meeting of the Equity Shareholders shall be convened and held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM), on or before 15 March, 2024.
- iii. Meeting of the Unsecured Creditors shall be convened and held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM), on or before 15 March, 2024.
- iv. Since there are no Secured Creditors in the applicant company, the question of holding meeting of Secured Creditors does not arise.
- v. In light of the MCA Circulars, it is directed that the voting by the equity shareholders/unsecured creditors of the applicant company shall be carried out through remote e-voting and e-voting during the time of the VC/OAVM convened meetings;
- vi. At least 1 (one) month before VC/OAVM meetings, advertisement about convening of the meetings of the equity shareholders and unsecured creditors of the applicant company indicating the day, the date and time, shall be published in English Daily, 'The Financial Express' (All editions) in the English language and the Gujarati translation thereof in 'Sandesh' (All editions). The publication shall indicate the time within



which the copy of the Scheme shall be made available to the concerned persons free of charge from the registered office of the applicant company. 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 applicant company 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 "Rules");

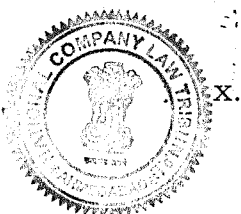
- vii. This Tribunal, therefore, does not dispense with the requirement of issuing physical notices to the unsecured creditors of the Transferee Company at their respective addresses. The issuance of notices to the unsecured creditors at their respective e-mail addresses to be additional to such compliance at least one month before the date of the aforesaid meetings of the equity shareholders/unsecured creditors of the applicant company to be held as aforesaid, notice of convening the said meetings, indicating the day, the date and time aforesaid, together with a copy of the Scheme, a copy of the 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 Rules, shall be sent to each of the equity shareholders/unsecured creditors of the applicant



company at their respective registered or last known addresses either by Registered Post or Speed Post or by Courier or e-mail or through hand delivery. The notices shall be sent to the equity shareholders/unsecured creditors of the applicant company with reference to the list of the persons appearing on the record of the applicant company as on 05.10.2023. The applicant company shall ensure that the unsecured creditors (including overseas) who have not received notice of meeting or physical copy, can access/download the said notice from the website i.e., www.amns.in. The said notice will mention the procedure to register and vote on the resolutions proposed.

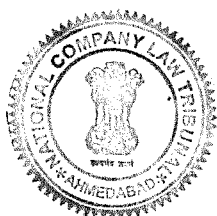
- viii. Mr. Jeet B. Karia [Advocate Code: G/2863/2016], Independent Practicing Advocate is appointed as the Chairperson and in his absence Mr. Ravi Pahwa, [Advocate Code: G/2765/2018], Independent Practicing Advocate is appointed as the Chairman of the meetings of the equity shareholders/unsecured creditors of the applicant company including for any adjournment or adjournments thereof;
- ix. Ms. Komal Khadaria, Company Secretary (Membership No.180954) and in her absence, Mr. Raunak Agarwal, Chartered Accountant (Membership No. F9328/CP No.: 11012) shall act as the scrutinizer for the meetings of the equity shareholders and unsecured creditors of the applicant company.

- x. The Chairman appointed for the aforesaid meetings



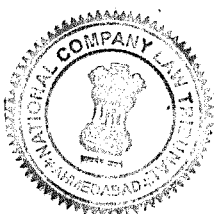
shall issue the advertisements and send out the notices of the meetings referred to above. The Chairman is free to avail the services of the applicant company or any agency for carrying out the aforesaid directions. The Chairman of the meetings shall have all powers under the Articles of Association of the applicant company and also under the Rules in relation to conduct of meetings, including for deciding any procedural questions that may arise at the meetings or at adjournment or adjournments thereof proposed at the said meetings, amendments 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 amendments) to the aforesaid Scheme or resolution, if any, and to ascertain the outcome of the meetings of the equity shareholders/unsecured creditors of the applicant company by poll i.e remote e-voting and e-voting during the VC/OAVM meetings;]

- xi. The quorum for the meeting of the Unsecured Creditors shall be as per Rule 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The quorum for the meeting of the Equity Shareholders shall be as per Section 103(1)(a)(iii) of the Companies Act, 2013.
- xii. Remote e-voting and e-voting at the VC/OAVM meetings by the Authorised Representative shall be permitted provided that the resolution/authorization,



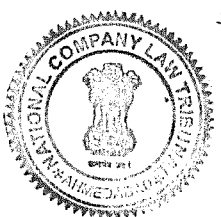
etc. authorizing its representative to attend the respective meetings is duly signed by the person entitled to attend and vote at the respective meetings and the same is sent to the applicant company through electronic mode. Since the meetings would be held through VC/OAVM, the facility for appointment of proxies will not be available;

- xiii. The number and value of the debts of the unsecured creditors and that the number and value of the equity shares of the equity shareholders of the applicant company, shall be in accordance with the records or registers of the applicant company and where the entries in the records or registers are disputed, the Chairman of the meetings of the equity shareholders/unsecured creditors of the applicant company shall determine the number or value, as the case may be, for purposes of the meetings and his decision in that behalf shall be final;
- xiv. Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings of the applicant company and do report to this Tribunal that the directions regarding the issue of notices and the advertisement of the meetings, have been duly complied with as per Rule 12 of the Rules;
- xv. It is further ordered that the Chairman 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



Rules in Form No. CAA.4 within 7 (seven) days after the conclusion of the meetings. The reports of Chairman for the applicant company shall be filed before this Tribunal by the Chairman himself;

- xvi. We direct the applicant to pay a sum of Rs.1,00,000/- (or in his absence to the substitute mentioned in the order) to the Chairman and a sum of Rs.50,000/- to the Scrutinizer (or in her absence to the substitute mentioned in the order) as their fees.
- xvii. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant Companies shall send a notice of meeting under sub-section (3) of Section 230 read with Rule 6 of the Companies (CAA) Rules, 2016 in Form No. CAA.3 along with a copy of the Scheme of Amalgamation, explanatory statement and the disclosures mentioned under Rule 6 shall be sent to (i) the Central Government through Regional Director, North-Western Region; (ii) Registrar of Companies, Gujarat; (iv) the Income Tax Department along with full details of the Assessing Officer and PAN number of the applicant company, with copy also to the Principal Chief Commissioner of Income Tax office, to such other sectoral regulatory authorities who may govern the working of the applicant company, stating that representations, if any, to be made by them shall be made within a period of 30 (Thirty) days from the date of receipt of such notice, failing which it shall be



presumed that they have no objection to make on the proposed Scheme. The aforesaid authorities who desire to make any representation under Section 230(5) of the Act, shall send the same to the Tribunal within a period of 30 (Thirty) days from the date of receipt of such notice, failing which it will be deemed that they have no representation to make on the proposed arrangement.

- xviii. The applicant company shall file a separate affidavit of compliance of various Act and Regulations (including FEMA) and observations of authorities to whom notices are issued/applicable on approval of the scheme.
- xiv The applicant company shall file a compliance affidavit with the Registry with regard to the directions given in this order.

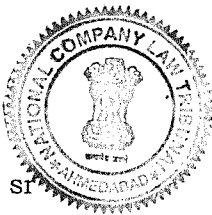
16. Application is disposed off accordingly.

Sd/-

**DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)**

Sd/-

**CHITRA HANKARE
MEMBER (JUDICIAL)**



Prepared by Vishwa
Signature [Handwritten Signature]
Date 17/1/24

Certified to be True Copy of the Original

[Handwritten Signature]
17/01/24
Assistant Registrar
NCLT, Ahmedabad Bench
Ahmedabad

Date of pronouncement of Order: 10/1/24
Date on which application for Certified Copy was made: 17/1/24
Date on which Certified Copy was ready: 17/1/24
Date on which Certified Copy delivered: 18/1/24