

JTLIL/CHD/SE/2021-22/047

Date: 31st December, 2021

Corporate Relationship Services,
BSE Limited,
25th Floor, P.J. Towers,
Dalal Street,
Mumbai 400 001

Corporate Relationship Services,
Metropolitan Stock Exchange of India Ltd,
4th Floor, Vibgyor Tower,
Opposite Trident Hotel,
Bandra- Kurla Complex,
Mumbai 400 098

BSE Scrip Code: 534600

MSEI Symbol: JTLINFRA

Subject: Outcome of the Board Meeting held on December 30, 2021.

Disclosure under Regulation 30(2) of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (herein-after referred as 'SEBI (LODR) Regulations, 2015') read with Sub-Para 1.2 of Para A1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September, 2015 issued by SEBI.

Dear Sir,

This is in continuation to the earlier Board meeting dated 18th August, 2021 outcome of which was submitted on 18th August, 2021, with respect to consideration and approval of a Scheme of Arrangement for Amalgamation of Chetan Industries Limited ("Transferor Company") with JTL Infra Limited ("Transferee Company") on a going concern basis, under Section 230 - 232 of the Companies Act, 2013, the meeting of board of directors was held yesterday and it has considered and approved the following:

- A modified Scheme of Arrangement for Amalgamation of Chetan Industries Limited ("Transferor Company") with JTL Infra Limited ("Transferee Company") on a going concern basis, under Section 230 - 232 of the Companies Act, 2013.
- A modified Valuation Report dated 30.12.2021 issued by Mr. Ajay Kumar Siwach (Registered Valuer, IBBI - Reg No. IBBI/RV/05/2019/11412) and
- A modified Fairness Opinion dated 30.12.2021 issued by Corporate Professionals Capital Private Limited, SEBI Registered (Category I) Merchant Bankers

The above modification has been carried pursuant to a query letter dated 15th November, 2021 issued by BSE Limited and in compliance with the SEBI Master Circular no SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, pursuant to which:

- A fresh Valuation Report and Fairness opinion in the captioned Scheme is required to be submitted, wherein period under consideration for valuation should not be older than 3 months from the Valuation Date and
- It is also required to submit a modified draft Scheme with the revised Share Exchange Ratio.



The modified Scheme of Arrangement shall be subject to the approval of National Company Law Tribunal (NCLT) of relevant jurisdiction, Securities Exchange Board of India (SEBI), BSE Limited ("Stock Exchange"), Shareholders and Creditors of both the Companies and other Regulatory Authorities, if any.


The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/201 5 dated September 9, 2015 is enclosed as **Annexure I** to this Outcome.

The Board meeting commenced at 04.00 p.m. and concluded at 08:00 p.m.

Request you to take the same on your records.

Thanking You,

For and on behalf of
J T L Infra Limited


Mohinder Singh
Company Secretary

Membership No. A21857



ANNEXURE I
A. The Scheme provides for Amalgamation of Chetan Industries Limited (“Transferor Company”) with JTL Infra Limited (“Transferee Company”)
a) Name of the entity (ies) forming part of the Amalgamation/Merger, details in brief such as, size, turnover etc.

Name of the Companies	Turnover (Rs. Crores) As on 31 st March, 2021	Net Worth (Rs. Crores) As on 31 st March, 2021
Chetan Industries Limited (CIL/Transferor Company)	254.32	29.12
JTL Limited (JTLIL/Transferee Company)	440.37	96.90

b) Area of Business of the Entities:

Name of the Companies	Area of Business
Chetan Industries Limited (CIL/Transferor Company)	The company is engaged in business of manufacturing Steel Pipes & Tubes, hollow sections and structural steel that are extensively used in major engineering and construction projects.
JTL Limited (JTLIL/Transferee Company)	The Company produces Black & Galvanized ERW Steel Pipes & Tubes, hollow sections and structural steel that are extensively used in major engineering and construction projects. The group caters to the domestic Indian markets as well as the overseas export markets. JTL has been recognized as Star Export House by the Government of India. JTL offers a wide range of integrated tube & steel pipe solutions embracing standard tubes & pipes.

c) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.

Yes, it will fall under Related Party Transaction, as the Amalgamation is between the Chetan Industries Limited (Transferor Company) and JTL Infra Limited (Transferee



Company) entities controlled by set of management. However, as per the MCA Circular No. 30/2014, dated 17.07.2014, it was clarified that transactions arising out of

the Companies (Compromises, Arrangements and Amalgamations) Companies Act, 2013, will not attract the requirements of section 188 of the Companies Act, 2013.

d) Rationale for Amalgamation/ Merger –

- The Transferor Company and Transferee Company are engaged in similar nature of business hence, the amalgamation of Chetan Industries Limited (“Transferor Company”) with the JTL Infra Limited (Transferee Company) will strengthen the balance sheet of the Transferee Company and shall create a larger and stronger entity, which will have better resources for business growth and expansion. The scheme of arrangement shall provide a running and profitable business to the Transferee Company which has growth potential and shall also provide the shareholders of Transferor Company liquidity through listing and hence there is significant synergy for consolidation of both the entities.
- The independent operations of the Transferor Company and Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
- The Amalgamation of Transferor Company with Transferee Company shall result in multiple manufacturing facilities under single entity which enables Transferee Company to make production planning in more efficient manner, thereby reducing wastages, improves input-output ratio (yield factor) and shorter lead time.
- The Amalgamation of Transferor Company with Transferee Company will add an advantage of Multi-location production facilities, reduce freight cost, easily availability of finished goods in the marketplaces which will give better and almost real time business intelligence, improve products competitiveness and acceptance amongst the targeted customers.
- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company.



- The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.

Further This Scheme of Arrangement for Amalgamation of the Transferor Company with the Transferee Company would result, inter-alia, in the following additional benefits to their respective members:

- Optimum and efficient utilization of capital, resources, assets and facilities;
 - Enhancement of competitive strengths including financial resources;
 - Consolidation of businesses and enhancement of economic value addition and shareholder value;
 - Obtaining synergy benefits;
 - Better management and focus on growing the businesses.
 - The amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
 - A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.
- e) **In case of cash consideration – amount or otherwise share exchange ratio**
Transferee Company, without further application, act or deed shall issue and allot to each of the shareholders of the “Transferor Company” shares in proportion of 117 (One Hundred and Seventeen) Equity Shares of Face Value Rs. 2/- (Rupees Two) each in the Transferee Company for every 100 (Hundred) Equity Shares of face value of Re. 1/- (Rupees One) each held by them in the “Transferor Company” pursuant to this Scheme of Amalgamation.
- f) **Brief details of change in shareholding pattern (if any) of listed entity –**

Pre – Arrangement Shareholding of the JTL Infra Limited (“Transferee Company”)

Particulars	Pre- Arrangement No. of shares	Pre- Arrangement Percentage
Promoters	33,157,000	50.59
Non-Promoters	32,380,150	49.41
Total	65,537,150	100.00



Note:

- I. As on date the 12,70,000 warrant of Rs. 10 each is pending in the company which will be converted into equal no. of equity shares however, equity shares of face value of Rs. 10 each has been divided into 5 equity shares of Face Value of Rs. 2 hence, the warrant will be converted into 63,50,000/- (Sixty Three Lacs and Fifty Thousands) equity shares of Rs. 2 each. We have considered the above conversion for the purpose of Pre & Post shareholding disclosure.

Post – Arrangement Shareholding of the JTL Infra Limited (“Transferee Company”)

Particulars	Post- Arrangement No. of shares	Post- Arrangement Percentage
Promoters	51,961,942	61.61
Non-Promoters	32,380,150	38.39
Total	84,342,092	100.00

Pre and Post Merger Shareholding of the Chetan Industries Limited (“Transferor Company”)
Pre - Arrangement Shareholding of the Chetan Industries Limited (“Transferor Company”)

Particulars	Pre- Arrangement (No. of shares)	Pre- Arrangement (Percentage)
Promoters	16,072,600	100
Non-Promoters	0	0
Total	16,072,600	100

Post - Arrangement Shareholding of the Chetan Industries Limited (“Transferor Company”)

Particulars	Pre- Arrangement (No. of shares)	Pre- Arrangement (Percentage)
Promoters	0	0
Non-Promoters	0	0
Total	0	0

