



**NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**  
**COURT III**

23. C.A.(CAA)/229/MB/2022

CORAM: SHRI H. V. SUBBA RAO, MEMBER (J)  
SMT ANURADHA SANJAY BHATIA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL  
COMPANY LAW TRIBUNAL ON **01.12.2022**

NAME OF THE PARTIES: JSW ISPAT SPECIAL PRODUCTS LIMITED.  
SECTION 230 (I) OF COMPANIES ACT, 2013

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**ORDER**

Mr. Hemant Sethi, counsel appearing for the Applicant is present through  
virtual hearing.

**C.A.(CAA)/229/MB/2022**

Heard the arguments of counsel appearing for the applicant and the above  
**C.A.(CAA)/229/MB/2022 is allowed.** Detail order follow:

Sd/-  
ANURADHA SANJAY BHATIA  
Member (Technical)  
//SKS//

Sd/-  
H. V. SUBBA RAO  
Member (Judicial)

Certified True Copy  
Copy Issued "free of cost"  
On 16/12/2022

*R. S. Senawana*  
Deputy Registrar 16/12/2022  
National Company Law Tribunal Mumbai Bench



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT - III  
COMPANY SCHEME APPLICATION NO. 229 OF 2022**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed there under;

AND

In the matter of Scheme of Arrangement of JSW Ispat Special Products Limited ('JISPL' or 'the Transferor Company') and Mivaan Steels Limited ('MSL' or 'the Transferee Company') and their respective Shareholders and Creditors ('the Scheme' or 'this Scheme')

JSW Ispat Special Products Limited  
CIN : L02710MH1990PLC363582

...First Applicant Company/Transferor Company

Mivaan Steels Limited  
CIN : U27100MH2021PLC371388

...Second Applicant Company/Transferee Company

(Hereinafter the Transferor Company and the Transferee Company are collectively referred to as "the Applicant Companies")

Order pronounced on: 01.12.2022

**Coram:**

**HON'BLE SHRI H. V. SUBBA RAO: MEMBER JUDICIAL**

**HON'BLE SMT. ANURADHA SANJAY BHATIA: MEMBER TECHNICAL**

*Appearances (through video conferencing)*

For the Applicants: Mr. Hemant Sethi, Ms. Vidisha Poonja i/b Hemant Sethi & Co.



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

ORDER

1. The Bench is convened through videoconferencing today.
2. Learned Counsel for the Applicant Companies states that the present Scheme is Scheme of Arrangement between JSW Ispat Special Products Limited ('the Transferor Company') and Mivaan Steels Limited ('the Transferee Company') and their respective Shareholders and Creditors ("the Scheme"). The Scheme provides for the slump sale of Specified Undertaking (as defined in the Scheme) of the Transferor Company to the Transferee Company.
3. Learned Counsel for the Applicant Companies states that the Board of Directors of the Transferor Company in their meeting held on 16<sup>th</sup> February 2022 and the Board of Directors of the Transferee Company in their meeting held on 25<sup>th</sup> February 2022 have approved the proposed Scheme. The Appointed Date of the Scheme means the close of business hours on March 31, 2022.
4. The Counsel for the Applicant Companies further submits that the Transferor Company is engaged in the business of manufacturing and dealing in steel and allied products. The Transferee Company is recently incorporated and yet to commence operations. Its main objects are to inter-alia manufacture, mine, produce, process, trade or otherwise deal in steel, iron, metal, alloy and such products.
5. The Learned Counsel for the Applicant Companies states that the rationale for the Scheme is as follows:

*The Scheme shall be implemented by the Transferor Company along with the Transferee Company (in its capacity as a wholly owned subsidiary of the Transferor Company) on a slump sale basis.*

- a) *The management of the Transferor Company believes that the Specified Undertaking forms part of the business of the Transferor Company, and that the Specified Undertaking and the Remaining Undertaking, each require dedicated management focus and business strategies to ensure that the respective businesses are given the right impetus for growth and to maximize value for all stakeholders*



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

- b) *The Specified Undertaking comprises of certain manufacturing, mining and other facilities that includes a sponge iron manufacturing plant with a capacity of 0.3 MTPA, ferro alloy plant and steel manufacturing plant with a capacity of 0.25 MTPA, which caters to the commodity grade market*
- c) *The strategic focus of the Specified Undertaking (which is to be transferred to the Transferee Company pursuant to the Scheme) is on commodity steel products that caters to the structural and construction sectors with comparatively lower volume of production and serving customers predominantly around its operating area; whereas, the Transferor Company's strategic focus for its Remaining Undertaking is on special steel products catering to HT grades, IBR grades, RDSO grades, automotive, high manganese grades, cold rolling grades and API grades with comparatively higher volume of production serving customers in the exports and domestic markets covering Northern, Eastern and parts of Western region of India.*
- d) *The transfer of the Specified Undertaking to the Transferee Company will enhance the ability of the Transferor Company and Transferee Company to explore and leverage strategic opportunities for their respective business/ undertakings, including fund raising prospects, with the aim of maximizing value.*
- e) *With a view to achieve dedicated management focus on the respective grades of products and customer segments, facilitate strategic opportunities and to maximize the value of each of the Remaining Undertaking and the Specified Undertaking, the management of the Transferor Company proposes to transfer the Specified Undertaking, and vest such Specified Undertaking into the Transferee Company (in its capacity as a wholly owned subsidiary of Transferor Company).*
- f) *The management of the Transferor Company and the Transferee Company believe that the transfer of the Specified Undertaking from the Transferor Company and vesting of such Specified Undertaking into the Transferee Company is in the larger interest of the shareholders, creditors and employees of the Transferor Company and the Transferee Company and will enhance the prospects of the future growth of the Transferor Company and the Transferee Company, and is likely to result in the following benefits for the Transferor Company and the Transferee Company:*



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) - 229/2022

- i) *enabling the Transferor Company and Transferee Company to focus on their core business strategies and plans with dedicated management focus on their respective grades of products and customer segments;*
  - ii) *facilitating strategic opportunities for the Transferor Company and Transferee Company;*
  - iii) *creating and enhancing stakeholders' value by unlocking the intrinsic value and growth potential for the respective businesses of the Transferor Company and Transferee Company;*
  - iv) *enhancing ability of each of the Transferor Company and the Transferee Company to raise necessary funds and resources for their respective businesses independently;*
  - v) *imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Transferor Company and Transferee Company;*
  - vi) *increasing efficiencies in management, control and administration of the affairs of the Transferor Company and Transferee Company;*
  - vii) *no adverse impact on the operations of the Specified Undertaking or Remaining Undertaking is envisaged on account of this Scheme; and*
  - viii) *achieving an optimum capital structure with commensurate assets which is likely to enhance the business prospects of the Transferor Company as well as the Transferee Company.*
6. Upon coming into effect of this Scheme and in consideration of the transfer and vesting of the Specified Undertaking in the Transferee Company in terms of the Scheme, based on the valuation report from PWC Business Consulting Services LLP dated February 16, 2022 and March 16, 2022, the Transferee Company shall, without any further application, act, instrument or deed, issue 44,31,10,000 (Forty Four Crores Thirty One Lacs and Ten Thousand) fully paid-up unsecured convertible debentures ("CDs") having face value of INR 10 (Rupees Ten) each, aggregating to INR 443,11,00,000 (Rupees Four Hundred and Forty



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

Three Crores and Eleven Lacs only) to the Transferor Company, and the CDs (subject to its terms) shall be convertible into equity shares of the Transferee Company (each having a face value of INR 10 (Rupees Ten)) based on a 1:1 ratio and such CDs shall have such terms as mutually agreed between the Transferor Company and Transferee Company, subject to Applicable Law and Clause 23 of the Scheme.

7. The Authorised, Issued, Subscribed and Paid-up Capital of the Transferor Company as on 31<sup>st</sup> March 2022 is as under:

Share Capital	Amount in INR
<b><u>Authorised Share Capital:</u></b>	
100,00,00,000 Equity Shares of Rs. 10/- each	1000,00,00,000
55,00,00,000 Preference Shares at par value of Rs. 10/- each	550,00,00,000
<b>TOTAL</b>	<b>1550,00,00,000</b>
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	
46,95,47,534 shares at par value of Rs. 10/- each	469,54,75,340
0.01% Compulsory Convertible Preference Shares (CCPS) 52,59,80,000 shares at par value of Rs. 10/- each	525,98,00,000
<b>TOTAL</b>	<b>995,52,75,340</b>

8. The Authorised, Issued, Subscribed and Paid-up Capital of the Transferee Company as on 31<sup>st</sup> March 2022 is as under:

Share Capital	Amount in INR
<b><u>Authorised Share Capital:</u></b>	
10,000 Equity Shares of Rs. 10 each	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) - 229/2022

Share Capital	Amount in INR
8,000 Equity Shares of Rs. 10 each	80,000
<b>TOTAL</b>	<b>80,000</b>

9. The Learned Counsel for the Applicant Companies states that the equity shares of the Transferor Company are listed on both the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Pursuant to the Securities Exchange Board of India ("SEBI") circular CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March 2017, as amended from time to time ("SEBI Circular") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), the Transferor Company had applied to BSE and NSE for their "Observation Letter" / "No Objection Letter" to file the Scheme for sanction of the Tribunal. BSE and NSE by their respective letter dated 18<sup>th</sup> August 2022 have given their "No Objection Letter" to the Transferor Company, to file the Scheme with the Tribunal.
10. The Learned Counsel for the Applicant Companies states that the meeting of the Equity Shareholders of the Transferor Company be convened and held at Registered Office of the Transferor Company or such other place as may be decided within the jurisdiction where the Registered Office is situated on 2<sup>nd</sup> February 2023 at 3:00 p.m. (IST), for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme. In the event if Ministry of Corporate Affairs ('MCA') and SEBI extends the date for conducting shareholders meeting virtually beyond 31<sup>st</sup> December 2022 then the Transferor Company reserves its right to conduct the said meeting through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') mode without holding a general meeting requiring the physical presence of shareholders at a common venue, as per applicable operating procedures issued by MCA, with necessary modifications as may be required, and not in physical presence of shareholders.
11. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 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 Obligations and Disclosure Requirements) Regulations, 2015, the Transferor Company proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) - 229/2022

the resolution to be passed at the aforesaid meeting. The e-voting facility for the Equity Shareholders of the Transferor Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

12. The Transferor Company is hereby directed to:

- i. Issue Notice convening meeting(s) of the Equity Shareholders of the Transferor Company in Form No. CAA.2 as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
- ii. Issue Statement containing all the particulars as per Section 230(3) of the Companies Act, 2013;
- iii. Issue form of proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
- iv. Advertise the Notice convening meeting in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

13. That at least 30 (thirty) clear days before the said meeting of the Equity Shareholders of the Transferor Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the prescribed form of proxy, shall be sent by Courier/ Registered Post/ Hand Delivery/ Speed Post or through Email (to those shareholders whose email addresses are duly registered with the Transferor Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders of the Transferor Company, at their last known address or email addresses as per the records of the Transferor Company, as on cut-off date determined by the Board of Directors of the Transferor Company.





IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

14. That at least 30 (thirty) days before the said meeting of the Equity Shareholders of the Transferor Company to be held as aforesaid, a Notice convening the said Meeting at the day, date and time as aforesaid be published once each in 'Business Standard' in English and 'Navshakti' in Marathi, both having wide circulation in the State of Maharashtra.
15. Mr. Jyotin Mehta, Chairman of the Board of the Transferor Company and failing him, Mrs. Anuradha Bajpai, Independent Director and failing her, Mr. Paresh Shah, Whole-time Director and failing him, Mr. Naresh Lalwani, Director shall be the Chairperson of the meeting of the Equity Shareholders of the Transferor Company to be held as aforesaid or any adjournments thereof.
16. The Scrutinizer for the aforesaid meeting of Equity shareholders of the Transferor Company shall be Mr. Shreyans Jain (CP No. 9801), Practicing Company Secretary, with a remuneration aggregating to INR 50,000/- excluding applicable taxes for the services rendered.
17. The Chairperson appointed for the aforesaid meeting to issue the advertisement and send out the notices of the meeting referred to above. The said Chairperson of the meeting shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the aforesaid meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
18. The quorum of the aforesaid meeting of Equity Shareholders of the Transferor Company shall be as prescribed under Section 103 of the Companies Act, 2013, present either in person or by authorized representative. If the quorum is not present within half an hour from the time appointed for the holding of the meeting, the members present shall be the quorum and the meeting shall be held.
19. The voting by authorized representative in case of body corporate be permitted, provided that authorization duly signed by the person entitled to attend and vote at the meeting is filed with the Transferor Company at the Registered Office not later than 48 hours before the aforesaid meeting.



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

20. The value and number of the shares of each shareholder of the Transferor Company shall be in accordance with the books/register of the Transferor Company or depository records and where the entries in the books/register/ depository records are disputed, the Chairperson of the meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
21. The Chairperson of the meeting of the Transferor Company to report to this Tribunal, the results of the aforesaid meeting within thirty days of the conclusion of the meeting of the Equity Shareholders and the said report shall be verified by his undertaking.
22. The Chairperson appointed for the meeting shall file an Affidavit not less than 7 (seven) days before the date fixed for the holding of meeting of Equity Shareholders of the Transferor Company and do report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.
23. The Learned Counsel for the Applicant Companies states that the Second Applicant Company/ the Transferee Company is the wholly owned subsidiary of the Transferor Company. Further, as on 30<sup>th</sup> June 2022 there were 7 (seven) equity shareholders in Transferee Company including 6 (six) nominees of the Transferor Company and that they have obtained the consent affidavits from all the equity shareholders of the Transferee Company, which are annexed to the Company Scheme Application. In view of the above fact that all the equity shareholders of the Transferee Company have given their consent affidavits, the meeting of the equity shareholders of the Transferee Company is hereby dispensed with.
24. The Learned Counsel for the Applicant Companies states that as on 30<sup>th</sup> June 2022, there were 3 (three) preference shareholders in the Transferor Company and that they have obtained the consent affidavits from all the preference shareholders of the Transferor Company, which are annexed to the Company Scheme Application. In view of the above fact that all the preference shareholders of the Transferor Company have given their consent affidavits, the meeting of the preference shareholders of the Transferor Company is hereby dispensed with.
25. The Learned Counsel for the Applicant Companies submits that as on 30<sup>th</sup> June, 2022, there were 6 (six) secured creditors in the Transferor Company amounting to INR



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

3,146,72,38,573 (Rupees Three Thousand One Hundred and Forty-Six Crores Seventy Two Lakhs Thirty Eight Thousand and Five Hundred and Seventy Three) and that 5 (five) Secured Creditors of the Transferor Company representing 92% in value of the total outstanding amount have given their no objection certificates and is annexed to the Company Scheme Application.

26. The Learned Counsel for the Applicant Companies submits that as on 30<sup>th</sup> June 2022, there were no secured creditors in the Transferee Company.
27. In view of the above fact that the Transferee Company has no secured creditors and that 92% (ninety two percent) in value of the secured creditors of Transferor Company have given their no objection certificates, the meetings of the secured creditors of the respective Applicant Companies are hereby dispensed with.
28. The Learned Counsel for the Applicant Companies submits that as on 30<sup>th</sup> June 2022, there were 1,722 (One Thousand Seven Hundred and Twenty-Two) unsecured creditors in the Transferor Company amounting to INR 748,99,02,879 (Rupees Seven Hundred and Forty-Eight Crores Ninety-Nine Lakhs Two Thousand Eight Hundred and Seventy-Nine) and 3 (Three) unsecured creditors in the Transferee Company amounting to INR 27,616 (Rupees Twenty-Seven Thousand Six hundred and Sixteen). The Learned Counsel for the Applicant Companies submits that the present Scheme is an arrangement between the Applicant Companies and their Shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, 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. Also, the unsecured creditors will be paid off in the ordinary course of business. In view of the fact that there is no compromise or arrangement with creditors, the meeting of the unsecured creditors of the Applicant Companies is hereby dispensed with. However, this Bench directs the Applicant Companies are directed to issue notice to all its unsecured creditors, by Registered Post-AD/ Speed Post or Hand Delivery or through Email (to those creditors whose email addresses are duly registered with the Applicant Companies, for the purpose of receiving such notices by email), at their last known addresses as per the records of the Applicant Companies.



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

29. The Applicant Companies are directed to serve notice along with copy of the Scheme by Registered Post-AD/ Speed Post or Hand Delivery or through Email upon :-

- i. The Central Government through the office of Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, Maharashtra;
- ii. Registrar of Companies;
- iii. Income Tax Authority within whose jurisdiction the respective Applicant Companies are assessed to tax, i.e., for Transferor Company – Central Circle 14, Delhi and for Transferee Company – Ward 3(1), Thane, Maharashtra, (4) Goods and Service Tax Department;
- iv. Bombay Stock Exchange (BSE);
- v. National Stock Exchange (NSE) and;
- vi. Securities and Exchange Board of India (SEBI),

pursuant to section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The above notices shall be issued with a direction that the above mentioned authorities may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the respective Applicant Companies failing which, it shall be presumed that the authorities have no representations to make on the proposed Scheme, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

30. The Applicant Companies to serve notices upon any other sectoral authorities, if applicable, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the concerned sectoral authorities or authorities within 30 (thirty) days of the date of receipt of the notice, it will be presumed that the concerned sectoral regulators or authorities have no objection to the proposed Scheme.



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

C.A.(CAA) – 229/2022

31. The Applicant Companies are directed to host notices along with the copy of the Scheme on their respective websites if any.
32. That the Applicant Companies to file an Affidavit of Service of the directions given by the Tribunal in the Registry for service of notice to the regulatory authorities as stated above and do report to this Tribunal within 10 (ten) days that the directions regarding the issue of notices have been duly complied with. The Applicant Companies are also directed to include in the affidavit of service of proof of dispatch of documents sent to all its creditors, wherever applicable.
33. The Applicant Companies shall file compliance report with the registry in regard to the directions given in this Order in lieu of customary Affidavit of Service proving dispatch of Notices to relevant Creditors of the Applicant Companies and service of Notice to the Regulatory Authorities by the Applicant Companies.
34. Ordered accordingly. Pronounced in open Court today.

Sd/-

**Anuradha Sanjay Bhatia**  
Member (Technical)

Sd/-

**H. V. Subba Rao**  
Member (Judicial)



Certified True Copy  
Copy Issued "free of cost"  
On 16/12/2022

*[Signature]*  
Deputy Registrar 10/12/2022  
National Company Law Tribunal Mumbai Bench