

May 03, 2025

Bombay Stock Exchange Limited
New Trading Ring,
Rotunda Building, P J Towers, Dalal
Street, Fort Mumbai – 400001
Scrip Code: 500097

National Stock Exchange of India Limited
“Exchange Plaza”, Plot No. C-1, Block G
Bandra – Kurla Complex, Bandra (East),
Mumbai - 400051
Symbol: DALMIASUG

Re. Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Dear Sir(s)/Madam,

Further to our earlier intimation dated May 14, 2024, this is to inform you that the Hon'ble National Company Law Tribunal, Chennai Bench (“**NCLT**”) has, vide its Order dated April 25, 2025 (“**Order**”), approved the Scheme of Amalgamation between Baghauli Sugar and Distillery Limited (“**BSDL**”) and Dalmia Bharat Sugar and Industries Limited (“**DBSIL**”) and their respective Shareholders and Creditors, involving amalgamation of BSDL, a Wholly Owned Subsidiary of DBSIL, into DBSIL with effect from the Appointed Date, i.e., April 01, 2024 under Sections 230 to 232 of the Companies Act, 2013.

The Certified Copy of the Order has been received and same is attached herewith as **Annexure 1**. BSDL shall stand dissolved once the Certified Copy of the Order is filed by BSDL and DBSIL with the Registrar of Companies.

Please take the same on record.

Thanking You,

For **Dalmia Bharat Sugar and Industries Limited**

Rachna Gorla
Company Secretary
FCS 6741

Encl.: As Above



IN THE NATIONAL COMPANY LAW TRIBUNAL DIVISION BENCH-I,
CHENNAI

CP (CAA)/69(CHE)/2024

In

CA(CAA)/41(CHE)/2024

Under Sections 230 to 232 of the Companies Act, 2013
In the matter of Scheme of Amalgamation

Between

Baghaulti Sugar and Distillery Limited

[CIN: U15424TN2006PLC170941]

A company incorporated under Companies Act, 1956,
Having its registered office at,
Trichy- Chidambaram Salai,
Dalmaipuram, Lalgudi, T.K.Trichy District,
Kallakudi TR, Tiruchirappalli, Lalgudi,
Tamil Nadu - 621651

... Petitioner Company/Transferor Company
and

Dalmia Bharat Sugar and Industries Limited

A company incorporated under Companies Act, 2013,
Having its registered office at,
Dalmiapuram, Tiruchirappalli District,
Tiruchirappalli, Tamil Nadu – 621 651

... Non-Petitioner Company/Transferee Company

And

Their Respective Shareholders and creditors

Order Pronounced on 25th April, 2025





CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Petitioner(s) : Mr. Pawan Jhabuk, Advocate

ORDER

(Heard through Hybrid Mode)

1. The present Company Petition Viz., CP(CAA)/69(CHE)/2024 has been filed by Baghauli Sugar and Distillery Limited (hereinafter Petitioner Company/Applicant Company) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") between Petitioner Company and Dalmia Bharat Sugar and Industries Limited (hereinafter Non-Petitioner/Non-Applcant Company) pursuant to the Scheme proposed by the Petitioner and Non-Petitioner Company. The said Scheme has been filed along with the Petition.



Affidavit in support of the above application sworn for and on behalf of the Petitioner Company has been filed by Ms. Rachna Gorla in the capacity of authorized signatory of the Petitioner Company.

3. **SCHEME SUMMARY:**



3.1. It is stated that, the Scheme provides for the amalgamation of Petitioner Company and Non-Petitioner Company and its respective shareholders and creditors. In so far as the non-Petitioner Company is concerned, there is no compromise or arrangement whatsoever between the Non-Petitioner Company and its shareholders or creditors within the meaning of 230-232 of the Companies Act, 2013.

3.2. It is stated that, the Petitioner Company is a 100% subsidiary of the Non-Petitioner Company/Transferee Company and no shares whatsoever are to be issued by the Non-Petitioner Company/transferee Company in terms of the Scheme. The Scheme thus does not involve any reorganization or restructuring of the capital of the Non-Petitioner Company / Transferee Company. By virtue of the Scheme, there will be no change in the control and management of the Non-Petitioner Company /Transferee Company.



RATIONALE OF THE SCHEME:

The rationale and benefits of the Scheme as provided are extracted here below:
The scheme of amalgamation is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Companies that are parties to this Scheme, their respective shareholders, lenders, employees and other stakeholders. The Scheme is proposed with a view, inter alia, to achieve the





following benefits:

- (a) the consolidation of business would lead to efficient and economical cost management, cost savings, pooling of resources, optimum utilisation of resources, expenses/services; rationalisation of administrative
- (b) the single entity, i.e., Non-Petitioner Company / Transferee Company would have increased capability for offering products by virtue of its enhanced resource base, resulting in better business potential and prospects for the merged entity;
- (c) the proposed Scheme will augment the manufacturing footprint and capabilities of Non-Petitioner Company / Transferee Company, by increasing the scale of manufacturing operations;
- (d) the consolidation of businesses under a single entity and brand, i.e. Non-Petitioner Company / Transferee Company, would lead to synergy in operational process and logistics alignment, creating better synergy, better utilization of human resources and further development and growth;
- (e) thus, this Scheme, as envisaged, is in the interest of the shareholders, creditors, employees, and other stakeholders of each of the Companies by pursuing a focused business approach under a single entity, thereby resulting in overall maximization of value creation of all the stakeholders involved.

5. 1ST MOTION APPLICATION – IN BRIEF



5.1 The Petitioner Companies filed the First Motion Applications vide CA(CAA)/41(CHE)/2024 and sought following directions:

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
TRANSFEROR COMPANY	To Dispense with	Not Applicable	To Dispense with



TRANSFEREE COMPANY	To Dispense with	To Dispense with	To Dispense with
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5.2. Based on such application, this Tribunal vide order dated 14.11.2024 dispensed with the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Petitioner and Non-Petitioner Company.

6. The second motion petition was filed before this Tribunal by the Petitioner Company on 25.11.2024 for approval of the Scheme by this Tribunal as per the provision of the Companies Act, 2013 and the Companies (Compromise, Arrangements & Amalgamations) Rules, 2016.

7. It is stated that, the Petitioner Company / Transferor Company became wholly owned subsidiary company of the Non-Petitioner Company / Transferee Company (being the successful resolution applicant) by way of Resolution Plan approved by National Company Law Tribunal, Allahabad Bench, Prayagraj on 24th November 2023 and Hon'ble National Company



Appellate Tribunal, Principal Bench, New Delhi on 22nd December, 2023. The effective date of the acquisition was 22nd December, 2023 being the date of effectiveness of the Resolution Plan.

It is stated that, the statutory auditor of the Non-Petitioner Company / Transferee Company has by its certificate certified that the Accounting

Treatment as provided for in the Scheme, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Ind AS notified under Section 133 of the Act, read with rules made thereunder and other Generally Accepted Accounting Principles, as applicable. The certificate issued by the statutory auditor of the Non-Petitioner Company / Transferee Company is marked and annexed Page No. 601-604

9. It is stated that, the Statutory Auditor of the Petitioner Company/Transferor Company has by its certificate certified that the Accounting Treatment as provided for in the Scheme, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Ind AS notified under Section 133 of the Act, read with rules made thereunder and other Generally Accepted Accounting Principles, as applicable. The certificate issued by the statutory auditor of the Petitioner Company / Transferor Company is marked and annexed as at page 598-601.

10. It is stated that, the Scheme of Amalgamation is in accordance with the guidelines of the Competition Commission of India and not prejudicial to the interests of the concerned stakeholders or public at large. As per Regulation 4 read with Clause 9 of Schedule I of the Competition





Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as 'Regulation'), transactions covered under Schedule I are not required to be reported u/s. 6(2) of the Competition Commission Act, 2002. The Schedule includes merger or amalgamation of the two enterprises where one of the enterprises has more than 50% shares or voting rights of the other enterprise. In the given case, since Petitioner Company / Transferor Company is a wholly owned (100%) subsidiary of the Non-Petitioner Company/Transferee Company, no approval is required under the Competition Act, 2002.

11. It is stated that, the Equity Shares of the Petitioner Company/Transferor Company are not listed on any stock exchange. Hence, no approval to the Scheme is required to be taken from the Stock Exchanges under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the listing agreement. It is

Further stated that, prior approval of the Stock exchanges in case of mergers involving wholly owned subsidiary companies is not required in view of Regulation 37(6) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Transferee Company, as a listed entity, is thus not required to obtain





approval of the Stock Exchanges in terms of the said regulatory requirements and has duly filed a copy of the Scheme before the Stock Exchange for disclosure purposes on 03.06.2024

12. In the 2nd motion petition filed by the petitioner companies, this Tribunal vide order dated 04.12.2024 directed the petitioner companies to issue to notice to the Statutory / Sectoral Regulators as well as paper publication in Business Standard (All India Edition) and The Hindu (Tamil Nadu Edition).

13. In compliance with the said directions of this Tribunal, the Petitioner Company had filed an affidavit of service and stated that they have effected paper publications in "Business Standard" (Chennai Edition) in English and "Makkal Kural" (Tamil Nadu Edition) on 20.12.2024.

14. It is stated that notices were issued to the following authorities:

(i) Regional Director, Southern Region, Chennai on 12.12.2024

(ii) Registrar of Companies, Chennai on 12.12.2024

(iii) Official Liquidator, Chennai on 12.12.2024

(iv) Income Tax Department, Chennai – 'The Principal Commissioner of

Income Tax Authorities on 16.12.2024 & The Assistant Commissioner of

Income Tax Authorities on 18.12.2024.





(v) To BSE on 16.12.2024, NSE on 16.12.2024, SEBI on 16.12.2024

Pursuant to the service of notice, the following statutory authorities have responded as under:

15. Statutory / Regulatory Authorities

15.1. Regional Director

15.1.1. The Regional Director (RD), Southern Region to whom the notice was issued has e-filed its report before this Tribunal on 31.01.2025 and stated that Clause 14 of Part III of the Scheme provides that upon the Scheme becoming effective, there will not be any issue and allotment of securities / or any consideration given by amalgamated company in respect of Amalgamation as the entire paid up share capital of the Amalgamating Company is held by the Amalgamated Company along with its nominees. Pursuant to amalgamation,

the investment of amalgamation company in the amalgamating company shall stand cancelled in the books of amalgamated company.



15.1.2. It is stated in para 9 of the Report that as per Clause 12 of





Part III of the Scheme, upon the Scheme coming the effect, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company with the Amalgamated Company as per applicable accounting principles prescribed under Ind AS 103 "Business Combinations" prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) OF Institute of Chartered Accountants of India and other generally accepted accounting principles in India or any other relevant or related requirement under the Act, as applicable on the appointed date

15.1.3. It is stated in para 10 of the Report that Clause 17.1 of the Scheme provides that upon the Scheme becoming effective, the authorized share capital of Amalgamating Company shall stand merged into and combined with the Authorized Share Capital of the Amalgamated Company pursuant to the Scheme, without any further act or deed pursuant to provisions of Sections 13, 14, 61, 64 and Section 232 of the Act,



2013 and no separate resolution would be required. The authorized share capital of Amalgamated Company will accordingly stand increased as a result of such merger of the authorized share capital and Clause V of MOA of the Amalgamated Company shall stand altered accordingly, without any further act or deed. Further the fee paid on the authorized share capital of the Amalgamating Company shall be utilized and applied and the Amalgamated Company shall pay only the differential amount, if any after adjustment of such set off immediately prior to the Amalgamation. The Amalgamated Company has agreed to pay the differential amount if any, arising after adjustment of payment already paid. Hence, NCLT, Chennai may be pleased to direct the Amalgamated Company to amend the relevant clause in the MOA & AOA as an integral part of this Scheme, as per provision of the Companies Act, 2013.



5.1. It is stated in para 11 of the Report that clause 13 of Part-III of the Scheme provides that upon the scheme becoming effective, the Amalgamating Company, without any further

act, instrument or deed, shall stand dissolved without being wound up and the Petitioner Company has assured that there is no Accounting Treatment prescribed which would have any impact or need to be reflected in the books of Amalgamating Company.

15.1.5. It is stated in para 12 of the Report that, as per the Report dated 08.01.2025 of RoC, Chennai, the Transferor Company and Transferee Company are regular in filing their statutory returns and filed upto financial year ending 31st March 2024. RoC, Chennai has further stated that there is no prosecution/complaint/inspection or investigation pending against the Companies involved in the Scheme of Amalgamation.

15.2. In response to the observations of the Report of RD, the Transferor Company has filed an affidavit and given an undertaking to pay the differential fee involved in increasing its authorized share capital if any. Further, the Transferor Company has undertaken to file the amended Memorandum and articles of association with the Registrar of Companies, Chennai.





16. Official Liquidator

16.1. The Official Liquidator, Chennai to whom the notice was issued, has filed his report on 07.03.2025 before this Tribunal and has stated that they have appointed M/s. K.M.Mohandass & Co, Chartered Accountants firm from the empanelled list of Chartered Accountants maintained by their office to look into the Scheme of Amalgamation and to scrutinize the books of accounts of the Transferor Companies. In his report, the Official Liquidator has submitted that:

- a) Based on the verification and details furnished to us, the Transferor Company holds two GST registrations in the state of Uttar Pradesh: GSTN 09AACCB8791L1Z0, effective from 01.07.2017, and GSTN 09AACCB8791L2ZZ, effective from 23.03.2020. The company has opted for quarterly return filing for both registrations.
- b) As per our records, the Transferor Company has been regular in filing GST returns for the period under review, except for GSTN 09AACCB8791L1Z0, where the GSTR-1 returns for the financial year 2021-22 were not filed, except for the quarter ended on 30th September 2022.



The Chartered Accountants have inspected the records of the Transferor Company at Registrar of Companies, Chennai through MCA 21 Portal and found that the Transferor Company has been regularly filing the statutory records and other forms in compliance with provisions of Companies Act for the years under consideration

M/s. S. Shukla & Co., Chartered Accountants carried out the audit of accounts of the company for the year ended on 31.03.2022. No qualifications/ adverse remarks were reported by the auditors in the audit report pertaining to the financial year 2021-22.



- e) M/s. Amar Garg & Co., Chartered Accountants carried out the audit of accounts of the company for the year ended on 31.03.2023. In their audit report for the financial year 2022-23, the auditors issued a qualified opinion. The basis for the qualified opinion is outlined below:-

Financial Year 2021-2022

(i) The Chartered Accountant draw attention to the fact that "Corporate Insolvency Resolution Process (CIRP)" has been initiated in respect of the Corporate Debtor M/s. Baghauli Sugar & Distillery Limited under the Insolvency and Bankruptcy Code 2016 (IBC) vide the order of the Hon'ble National Company Law Tribunal, Allahabad Bench dated 07th February 2020 and Mr. Vivek Raheja has been appointed as Resolution Professional under Insolvency and Bankruptcy Code 2016 ("Code").

Further, as informed, the operations of the company are closed down since 2016. Also, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current year and previous year(s) and the Company's outside liabilities exceeded its assets substantially as at the balance sheet date. The financial statements of the Company for the financial year ending 31st March, 2023 continues to be prepared on a going concern basis.

However, there exists material uncertainty about the Company's ability to continue as going concern since the same is dependent upon the resolution plan to be approved by CoC/NCLT. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not adequately disclose this fact. Since the outcome of corporate insolvency resolution process is uncertain, the Chartered Accountants are unable to comment on the impact on the carrying value of the assets of the Company and any other consequential impact that may arise in this regard on the accompanying financial statements.

- (ii) CWIP amounting to Rs. 1,23,21,17,667/- on account of the Distillery plant has been shown in the financial statement since long i.e. prior to 2016. In the absence of proper details and technical evaluation of the same, the Chartered Accountants are unable to comment on the valuation of said CWIP and the resultant impact of the same on the financial statement of the company

(iii) Stores and spares amounting to Rs.1,52,00,908/- is being shown under Inventory. The said item has been appearing in the books since long, however, proper stock records are available with the company. In the absence of the same, the Chartered Accountants are unable to comment on the actual



valuation of the said stores and spares and the resultant impact of the same on the financial statement of the company.

(iv) Further, attention is invited to the fact that the net worth of the Company has been completely eroded. Despite the fact that the business operations of the company are already closed down since 2016, the Company has not carried out any techno-economic assessment of its fixed assets during the year ended 31st March, 2023 and hence identification of impairment loss and provision thereof in terms of Ind AS 38 "Impairment of Assets", if any, has not been made. The consequential impact of the same, if any, on the financial statements is presently not ascertainable.

(v) Attention is invited that "Post the Corporate Insolvency Resolution Process (CIRP) initiation date i.e. 07th February 2020, the Company has not provided for any interest on the loans outstanding as payable as on date". The consequential impact, if any, on the financial statements is not ascertainable. Hence, the Chartered Accountants are unable to comment on the adequacy / or otherwise of the amount recognized as interest in the accompanying financial statements.

(vi) Attention is further invited that "the balances of trade receivables, trade payables, advances to employees, capital advances, other advances and other current liabilities are subject to confirmation and reconciliation. Their balances are reflected in the Balance Sheet as appearing in the books, pending reconciliation, the net effect is unascertainable." Due to the non-availability of confirmations and reconciliations of the aforementioned account balances, the Chartered Accountants are unable to comment on the impact of the adjustments, if any, arising from the reconciliation and settlement of account balances on the financial statements.

(vii) In accordance with the Insolvency and Bankruptcy Code ("Code"), the Resolution Professional ("RP") has to receive, collate and admit the claims submitted by the creditors as a part of the Corporate Insolvency Process (CIRP). Such claims can be submitted to the RP till the approval of the resolution plan by the Committee of Creditors ("CoC"). Pending the final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, the Chartered Accountants are unable to comment on the possible financial impacts of the same, if any, on the financial statements.

Attention is further invited that "the company has not recognized any deferred tax assets in terms of Ind As 12 "Income Taxes" despite having huge accumulated business losses/ unabsorbed depreciation due to the reason that





business operations of the company are closed down since 2016 and there is material uncertainty regarding the company's ability to continue as going concern".

Due to the non-recognition of deferred tax assets by the company despite the huge unabsorbed business losses/ unabsorbed depreciation being shown on income tax return, the Chartered Accountants are unable to ascertain consequential impact of any outcome under CIRP as a going concern on the accompanying financial statement of the company.

Period Ended on 22nd December 2023:

M/s. Amar Garg & Co., Chartered Accountants carried out the audit of accounts of the company for the period ended on 22.12.2023.

In their audit report for the period ended 22.12.2023, the auditors issued a qualified opinion. The basis for the qualified opinion is same as mentioned above for the Financial Year 2022-23. Additionally, the auditor has stated the following,

Further, attention is invited to the fact that these financials are prepared before giving the impact of approved Resolution Plan.

Financial Year 2023-24

M/s. N S B P & Co., Chartered Accountants carried out the audit of accounts of the company for the year ended on 31.03.2024.

No qualifications/ adverse remarks were reported by the auditors in the audit report pertaining to the financial year 2023-24.

1) DISPUTES

Based on the information and explanations provided to them and as per representation given by the Transferor company, the cases, complaints or allegations pending against the company as on date are as follows:

Statue	Forum	Amount
Appeal under section 35-G of the Central Excise Act, 1944 r/w section 74 of CGST Act, 2017	Allahabad High Court, Lucknow Bench	NA
Appeal u/s 19 of the Consumer Protection Act, 1986 against the order passed by State Consumer Disputes Redressal Commission, Lucknow.	National Consumer Disputes Redressal Commission	Approx. Rs. 15.86 Lakhs on 20 th May 2024
Application under the recovery of the Debts and Bankruptcy Act, 1993	Debts Recovery Tribunal	NA





Note: As per the Hon'ble NCLT order LA No. 243/2023 in CP (IB) No. 342/ALD/2018 dated 24th November 2023, all legal suits, proceedings, certificate proceedings, and/or quasi-legal proceedings initiated against the Transferor Company up to the Effective Date (i.e., 22nd December 2023), relating to the period prior to the Insolvency Commencement Date, shall be deemed to have been quashed. Furthermore, the Chartered Accountants have been informed by the Transferor Company that the necessary actions for the closure of the aforementioned cases, complaints, or allegations have been taken and are in progress.

SUMMARISED OBSERVATIONS

- g) The Chartered Accountants have reviewed and examined the Books of Account and other relevant records of Transferor Company for three years starting from 01st April 2021 to 31st March, 2024 and in foregoing paras, the Chartered Accountants have incorporated material facts about the Company, its state of affairs, business operations and our observations thereon. Matters considered for our report are enumerated here under:
- h) It was observed that clause 3(B)(20) of the Memorandum of Association, reproduced elsewhere in this Report, authorise the company to amalgamate with any other company.
- i) Based of limited review of the books of accounts of the Company and other related records produced before us for our verification and the information and explanations given to us by the Transferor Company, the Chartered Accountants stated that there are no serious allegations or complaints against the Transferor Company.
- j) Yes, the Auditor's report has made certain qualifications for the year ended on 31.03.2023 and period ended on 22.12.2023.



k) M/s. N. N. Sarg & Co., Chartered Accountants, conducted the audit of the company's accounts and issued a Qualified Opinion for the financial year ended 31st March 2023 and period ended on 22nd December 2023. The qualifications made by the auditors are mentioned elsewhere in the report. During the financial year ended 2022-23 and period ended on 22nd December 2023, the Transferor Company was under the control and management of the Resolution Professional.

l) The management has provided an explanation for the qualified opinion issued for the financial year ended on 31st March 2023. However, proper explanations were not provided by the RP for the qualifications made by the auditor. The Relevant extract from Director's Report is as follows,

D. N. Sarg & Co.

"The qualification raised by the Statutory Auditor in the Financial Statements of Financial Year 2022-23 are Self-explanatory and though the company is under CIRP, management and RP is trying the best to find a resolution for the Company.

Pursuant to commencement of CIRP of the company under IBC, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors."

- m) The Transferor Company has ceased business operations in 2016 and did not generate any revenue from operations prior to acquisition. During the period prior to acquisition, the transferor Company has incurred employee benefit expenses and expenses related to the CIRP process.
- n) Following its takeover by the Transferee Company, the Transferor Company resumed business operations, gradually generated revenue, and incurred expenses related to both business operations and the CIRP process. Consequently, the company has incurred losses year after year.
- o) Considering above, calculating the ratio of expenditure as a percentage of turnover is not meaningful for understanding the financial statements. The comparative statement of Profit or Loss is as follows:

Particulars	(Rs. In Lakhs)			
	For the period ended on 31.03.2022	For the period ended on 31.03.2023	For the period ended on 22.12.2023	For the period ended on 31.03.2024
Revenue from Operations	-	-	-	48.00
Other Income	2.45	6.48	0.02	2,370.00
Total Income	2.45	6.48	0.02	2,418.00
Expenses:				
Cost of materials consumed	-	-	-	1,486.00
Changes in inventories of finished goods work-in-progress and Stock-in-trade	-	-	-	(1,607.00)
Employee Benefit Expenses	46.31	38.59	22.79	142.00
Finance Cost	-	-	-	225.00
Depreciation	88.18	79.97	52.60	74.00



- t) Based on their examination of the books of account, other relevant records, discussions with the officers of the Transferor Company, and the explanations, submissions, and contentions provided by them, and after considering the facts mentioned above, the Chartered Accountants stated that, in their opinion and to the best of their knowledge and belief, the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interests of its members or the public.
- u) Based on the Books of Accounts and other relevant records and information provided to us, the Chartered Accountant stated that the Transferor Company did not provide any statutory registers required to be maintained under the Companies Act, 2013, for the period from 01.04.2021 to 22.12.2023, wherein the Transferor Company was under the control and management of the Resolution Professional. The Chartered Accountants were informed that the statutory records were not handed over to the Resolution Professional by the Board of Directors (whose powers were suspended upon the initiation of CIRP) at the time of the initiation of CIRP, effective from 07.02.2020.
- v) During the period from 22.12.2023 to 31.03.2024 the company has been regular in maintaining the Statutory registers required under Companies Act, 2013.
- w) The Chartered Accountants have inspected the records of the company as available with the Registrar of Companies, through the MCA 21 portal. The Transferor Company has been regular in filing its statutory returns for the periods under consideration.
- x) Based on their scrutiny of the Books of Account and other relevant records of the Transferor Company for the period under review, as well as the discussions the Chartered Accountants had with the officers of the Company and the explanations, submissions, and contentions provided by them, no instances of misapplication, misappropriation, or breach of trust on the part of the management were observed.



Based on a limited review of the Books of Account and other related records produced for their verification and the information and explanations given to them by the Transferor Company for the period under review, the Chartered Accountants stated that there is no evidence of fund diversion or any other financial irregularities that would attract the provisions of Sections 339 and 340 of the Companies Act, 2013. Our analysis of the company's financial records and transactions does not reveal any instances of fraudulent conduct, mismanagement, or misconduct. All reviewed transactions appear to be legitimate and in compliance with applicable regulations.

2) Based on a limited review of the Books of Account and other related records made available for verification, as well as the information and explanations provided by the Transferor Company, the Chartered Accountants confirmed that the required audits under the Companies Act, 2013 were conducted during the period under review. However, the Internal Audit mandated under Section 138 of the Act were not conducted for the financial years 2021-22 and 2022-23. During the financial year 2021-22 & 2022-23, the transferor company was under control and management of RP. The copy of communication via mail dated 10th February 2025 is attached in Annexure - 6

aa) In the proposed Amalgamation of the Transferor Company, the position of both secured and unsecured creditors will be addressed in line with the provisions of the Companies Act, 2013. The relevant extract from Scheme of Amalgamation are as follows,

"All debts, liabilities, contingent liabilities, duties and obligations, whether secured or unsecured or whether provided for or not or disclosed in the balance sheet of the Amalgamating Company as on the appointed date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated company on a going concern basis, without any further act or deed pursuant to section 232(3) of the Companies Act, 2013, and the Amalgamated Company does hereby undertake to meet, discharge and satisfy the same on the same terms and conditions as were applicable to Amalgamating Company."

bb) Based on the audited financial statements for the year ended 31.03.2024, out of the total liabilities of Rs.140.81 Crores, Rs.131.58 Crores (93% of total liabilities) represents payable to Transferee Company. The amounts payable to transferee company will be knocked off in its books of accounts post amalgamation.

cc) The transferor company was under CIRP from 7th February 2020 to 22nd December 2023 and had ceased its business operations in 2016. Subsequently, as per the Resolution Plan approved by the Hon'ble NCLT in IA No. 243/2023 in (IB) No. 342/ALD/2018, with the order dated 24th November 2023, the transferee company took over the transferor company by settling its financial and operational creditors through an infusion of Rs. 139.69 Crore and an additional Rs. 235 Crore to be infused as working capital when needed, provided through equity, as needed to carry out business operations. The transferor company has commenced the business operation post-acquisition by transferee company.

dd) As per the Scheme of Amalgamation provided to us, it is stated that the liabilities of the transferor company shall be undertaken, discharged, and satisfied by the transferee company.





ee) In respect of the transactions related to the Resolution Plan, the management has provided certain information in response to the queries raised by us, which are listed below:

ff) In the MCA 21 portal, the charge status of the following loan accounts has not been updated despite their settlement. The settlement of these loan accounts has been effected in the audited financial statement for the period ended 31.03.2024 as per the Resolution Plan. The relevant details are outlined below:

Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
10269075	IFCI Ltd (on behalf of GOI)	04/03/2011	-	-	5,40,00,000
10079338	Bank of Baroda	26/10/2007	23/03/2011	29/05/2024	2,50,84,00,000

Regarding Charge ID 10269075, the Chartered Accountants were informed that IFCI is the charge holder on behalf of the Government of India and IFCI requires permission from Government of India to issue NOC. Once IFCI issue their NOC, the Charge will be satisfied.

Regarding Charge ID 10079338, the Chartered Accountants were informed were informed that the form has been sent to the Bank of Baroda for want of signature and will be filed as soon as the Transferor Company receives the signed form. Additionally, since four (4) charge holders were involved in this charge, the NOC's were received on different dates, leading to a delay in filing the form for satisfaction of loan. Further the Transferor Company vide their email dated 05.03.2025 informed satisfaction of Charge with Bank of Baroda.

gg) The Scheme of Amalgamation of the Transferor company with M/s. Dalmia Bharat Sugar and Industries Limited has been approved by the Board of Directors in their meeting held on 13th May 2024.



hh) The Hon'ble National Company Law Tribunal, Division Bench - I, Chennai in Company Application no. CA(CAA)/41/(CHE)/2024 dated 14th of November, 2024, dispensing the meeting of the Equity Shareholders and Unsecured Creditors of the transferor and transferee company. Necessary directions to conduct the meeting of the Secured Creditors of the transferee company.

CONSIDERATION

As per Clause 14 of the Scheme

[Handwritten signature]



- ii) As the entire paid-up share capital of the Transferor Company is held by the Transferee Company along with its nominees, it is expressly understood that, upon this Scheme becoming effective, there will not be any issue and allotment of securities / or any consideration given by Transferee Company in respect of Amalgamation. Consequently, the investment of Transferee Company in entire paid-up share capital of the Transferor Company shall stand cancelled in the books of Amalgamated Company, pursuant to Amalgamation.

SHARE VALUATION

- jj) Valuation of shares for the purpose of arriving the share exchange ratio for this arrangement is not applicable. Since, the company under the process of Corporate Insolvency Resolution Process from 07th February 2020 to 22nd December 2023. Further, the transferor company is taken over by M/s. Dalmia Bharat Sugars and Industries Limited with effect from 22nd December 2023, as per order issued by the Hon'ble National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT), dated 24th November 2023 and 22nd December 2023, respectively. Pursuant to the takeover, the Transferor Company become wholly owned Subsidiary of Transferee Company.

kk) On the basis of our examination and the discussion the Chartered Accountants had with the management of the company and the explanations, submissions and contentions given, the Chartered Accountants state that in their opinion and to the best of their knowledge and belief and *subject to our comments/observations made elsewhere* in the report, they stated that the affairs of the company have not been conducted in a manner prejudicial to the interest of its members, or public interest.

4. That Hon'ble NCLT (Court-I) vide its order dated 14/11/2024 in CA/CAA/41/CHE/2024 considered the application filed by the applicant company without separate application made by the Transferee Company and the necessity of convening, holding and conducting a meeting is dispensed with by the Hon'ble NCLT.

That in accordance to the basis of copy of petition produced before the Official Liquidator and also considering the conclusion made by the Chartered Accountants in their report dated 19/02/2025, the Official Liquidator is of the view that the petition may be considered on merits as the affairs of the Transferor Company have reportedly not been conducted in a manner prejudicial to the interest of its members or to public.

That in accordance with the basis of notice of petition served on 12/12/2024 to the Official Liquidator by the Transferor Company and also considering the conclusion made by the Chartered Accountants in their report dated 19/02/2025 as detailed above, the specific representation of Official Liquidator in respect of Transferor Company is humbly submitted as follows:-

[Signature]



- (i) That, with reference to clause B.1.(c) of the Scheme disclosing about the disposal of appeal before Hon'ble National Company Law Appellate Tribunal, there by affirming the approval of Resolution Plan without any conditions / need to approach Hon'ble Supreme Court, where under the transferor company became subsidiary to the transferee company, this Hon'ble Tribunal may be pleased to direct the transferor and transferee companies to submit an undertaking that there is no appeal filed / pending before the Hon'ble Supreme Court in this matter against the orders of Hon'ble Appellate Tribunal (NCLAT), as it is found that the transferor company was previously part of Sahara Group of Companies as found out from the order dated 22.12.2023 of Hon'ble Appellate Tribunal.
- (ii) That, the clause 8.1 of the Scheme seeks to protect the employees of the Transferor Companies only if they are in service as on effective date, hence this Hon'ble Tribunal may be pleased to direct the Transferor and Transferee Companies to submit an undertaking to this Hon'ble Tribunal to the effect that there would no retrenchment of any employee who were in service of the Transferor Company as on Appointed Date (1.4.2024) as well, except in the event of their resignation on their own before the Effective Date.
- (iii) That, with reference to Clause 21 of the Scheme providing for auto modification of content of the scheme, post its sanction by this Hon'ble Tribunal, it is submitted that such auto modification without previous approval / sanction of this Hon'ble Tribunal will be in violation of section 231(1)(b) of the Companies Act, 2013 as every modification of the content of the Scheme requires approval by this Hon'ble Tribunal. Hence, this Hon'ble Tribunal may be pleased to direct the Transferor and Transferee Companies to delete / modify the Clause No.21 existing presently in the Scheme by way of amendment to the scheme proposed, so as to ensure that no such auto amendment/modification of the Scheme takes place, post its sanction by this Hon'ble Tribunal or to submit an undertaking that such auto modification of the content of the scheme will not be implemented without prior approval of this Hon'ble Tribunal.





16.2. It is stated in para 7 of the report that, the Official Liquidator is of the opinion that the affairs of the Transferor Company appear to have not been conducted in a manner prejudicial to the interest of its members or to public interest subject to representation at para 6 of the extract.

16.3. From the above observations made by the Chartered Accountant, the Official Liquidator has sought to take on record and consider the report of the Chartered Accountant and fix the remuneration payable to the Auditor who has investigated into the affairs of Transferor Company. In this regard, this Tribunal hereby directs the Transferor Company to pay a sum of 60,000/-+ GST (if applicable) (Rupees Sixty Thousand Plus GST) to the Official Liquidator for the payment of fees payable towards the Auditor who has investigated into the affairs of the Transferor Company.



16.4. In reply, the petitioner company has filed the response by way of an affidavit. The extract of the affidavit is provided here below:



3. We state that it has been observed in paragraph 6(i) of the OL's Report that, with reference to clause B.1.(c) of the Scheme disclosing about the disposal of appeal before Hon'ble National Company Law Appellate Tribunal, there by affirming the approval of Resolution Plan without any conditions / need to approach Hon'ble Supreme Court, where under the transferor company became subsidiary to the transferee company. Accordingly, it has been submitted that the Transferor and Transferee companies may be directed to submit an undertaking that there is no appeal filed / pending before the Hon'ble Supreme Court in this matter against the orders of Hon'ble National Company Law Appellate Tribunal (NCLAT), as it is found that the Transferor Company was previously part of Sahara Group of Companies as found out from the order dated 22.12.2023 of Hon'ble Appellate Tribunal. In response to the observations of the Official Liquidator, we state that the Transferor and Transferee Companies undertake that there is no appeal filed / pending before the Hon'ble Supreme Court against the orders of Hon'ble NCLAT. For the purposes of disclosure, the proceedings wherein the Resolution Plan was approved along with the final orders of the Hon'ble NCLAT have been enclosed for the purposes of disclosure before this Hon'ble Tribunal.

4. We state that it has been observed in paragraph 6(ii) of the OL's Report that, the clause 8.1 of the Scheme seeks to protect the employees of the Transferor Companies only if they are in service as on effective date. Accordingly, it has been submitted that the Transferor and Transferee Companies may be directed to submit an undertaking to the effect that there would no retrenchment of any employee who were in service of the Transferor Company as on Appointed Date (1.4.2024) as well, except in the event of their resignation on their own before the Effective Date. In response to the observations of the Official Liquidator, we state that the Transferor and Transferee Companies undertake that there would be no retrenchment of any employee who were in service of the Transferor Company as on Appointed Date (1.4.2024) as well, except in the event of their resignation on their own before the Effective Date.





5. We state that it has been observed in paragraph 6(ii) of the OL's Report that, with reference to Clause 21 of the Scheme providing for auto modification of content of the scheme, post its sanction by this Hon'ble Tribunal, it is submitted that such auto modification without previous approval / sanction of this Hon'ble Tribunal will be in violation of section 231(1)(b) of the Companies Act, 2013 as every modification of the content of the Scheme requires approval by this Hon'ble Tribunal. Accordingly, it has been submitted that the Transferor and Transferee Companies may be directed to delete / modify the Clause No. 21 existing presently in the Scheme by way of amendment to the scheme proposed, so as to ensure that no such auto amendment/modification of the Scheme takes place, post its sanction by this Hon'ble Tribunal or to submit an undertaking that such auto modification of the content of the scheme will not be implemented without prior approval of this Hon'ble Tribunal. In response to the observations of the Official Liquidator, we state that the Transferor and Transferee Companies undertake that any auto modification of the content of the scheme will not be implemented without prior approval of this Hon'ble Tribunal as the Transferor and Transferee Companies are bound to approach this Hon'ble Tribunal.

17. INCOME TAX AUTHORITIES

- 17.1. It is stated that the Notice was issued to the Income Tax Authorities on 16.12.2024. However, the Income Tax authorities have not filed any reply / response pursuant to the notice.

- 17.2. It is relevant to mention that in Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi made the following observations with regard to the right of the IT department in the Scheme of Amalgamation,

"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of



the decision in RE: Vodafone Essar Gujarat Limited vs. Department of Income Tax (2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15, 2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned."

17.3. In view of the above judgment, this Tribunal is of the view that the rights of the Income Tax Department for recovery of any statutory dues from the Transferor Company is protected.



ACCOUNTING TREATMENT

The certificate issued by the Statutory Auditors certifying that the Accounting Treatment of the petitioner companies are in compliance with Sec 133 of the Companies Act, 2013 and the same is placed on record in Pg No. 598-604 along with the petition.



19. VALUATION

It is stated that upon the Scheme becoming effective, the entire paid-up equity shares of the Transferor Company, as are being held by the Transferee Company, shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.

20. OBSERVATION OF THIS TRIBUNAL

21. This Tribunal is of the view that the scheme as contemplated amongst the petitioner and Non-Petitioner Company seems to be prima facie not in any way detrimental to the interest of the members of the Company. In view of the absence of any material objections from any statutory authorities except objection made by the Regional Director and the Official Liquidator for which the petitioner companies have filed the response by way affidavit and have given undertaking to the objections raised therein, and since all the requisite statutory compliances have been fulfilled, this Tribunal sanctions the Scheme of Amalgamation as well as the prayer made therein.



Notwithstanding the above, if there is any deficiency found, or the violation committed qua any enactment, statutory rule or regulation, the





sanction granted by the Tribunal will be come in the way of action being taken, albeit, in accordance with the law, against the persons concerned, directors and officials of the petitioners.

23. While approving the Scheme as above, it is clarified that this order shall not be construed as an order in way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission / compliance with any other requirement which may be specifically required under any law.

24. THIS TRIBUNAL DO FURTHER ORDER

- (i) That all properties, rights and interests of the Transferor Company shall, pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.



That all the liabilities, powers, engagements, obligations and duties of the Transferor Company shall pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.

- (iii) That the Appointed date for the Scheme shall be **01.04.2024** as mentioned in clause 1.1 of the Scheme.



- (iv) The 'Effective Date' shall be defined as per the clause 1.1 of the scheme.
- (v) That all proceedings now pending by or against the Transferor Companies be continued by the Transferee Company.
- (vi) That all the employees/workmen of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the Transferee Company without any break or interruption in their service with all the benefits.
- (vii) That upon the Scheme becoming effective, the entire paid up equity shares of the Transferor Company as are being held by the Transferee Company, shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof as mentioned in Clause 14 of the said Scheme.
- (viii) That the Transferee Company shall file the revised Memorandum of Association (MOA) and Articles of Association (AOA) with the Registrar of Companies, Chennai and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company after setting off the fees paid by the Transferor Company.



That both the Petitioner Company and Non-Petitioner Company, shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without winding up and the Registrar of Companies shall place all





documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to all the said companies shall be consolidated accordingly.

- (x) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

25. Accordingly, the Company Petition CP(CAA)/69/CHE/2024 stands **ALLOWED** on the aforementioned terms and is disposed of.

-Sd-



KATARAMAN SUBRAMANIAM
Member (Technical)

Certified to be True Copy

-Sd-

SANJIV JAIN
Member (Judicial)

R. Gargam
30/04/2025

JOINT REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600 001.

NATIONAL COMPANY LAW TRIBUNAL CHENNAI	
Order No. / Date :	CP/CAA/69/2024 dt. 28/04/2025
Certified Copy made Available on :	30/04/2025
Applied for Certified Copy (Applicant / Respondent)	on. 29/04/2025
Certified Copy issued on	30/04/2025

C. A. Applicant Mr. Pawan Jhabarkh

