



Jay Shree Tea & Industries Ltd.



B K BIRLA GROUP OF COMPANIES

Dated: 04.03.2021

<p>The Secretary National Stock Exchange of India Ltd. Exchange Plaza Plot no.C/1,G-Block Bandra Kurla Complex Bandra (E) Mumbai-400051</p> <p>Symbol-JAYSREETEA</p>	<p>The Secretary Bombay Stock Exchange Ltd. Corporate Relationship Department Rotunda Building, 1st floor, New Trade Ring Dalal Street Mumbai- 400 001</p> <p>Scrip Code:509715</p>	<p>The Secretary The Calcutta Stock Exchange Association Ltd. 7, Lyons Range Kolkata-700001</p> <p>Stock Code-10000036</p>
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Dear Sir,

Subject: Intimation of Scheme of Amalgamation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Please be informed that the Board of Directors of Jay Shree Tea & Industries Limited ("the Company"), at its meeting held today, upon recommendation of the Audit Committee, has approved the proposed draft Scheme of Amalgamation of Majhaulia Sugar Industries Private Limited ("MSIPL") with the Company under Sections 230 to 232 of the Companies Act, 2013 with effect from 1st April, 2020.

The draft Scheme of Amalgamation provides for transfer and vesting of the entire undertaking of MSIPL into the Company and the dissolution of MSIPL without winding up. The draft Scheme of Amalgamation is subject to necessary statutory and regulatory approvals as may be required.

The disclosures required under Regulation 30 and Para A(1) of Part A of Schedule III of the Listing Regulations, read with Paragraph A(1.2) of Annexure I to the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September, 2015, is enclosed as **Annexure A** to this intimation.

Kindly acknowledge receipt.

Yours faithfully,
For Jay Shree Tea & Industries Limited

(R.K.Ganeriwala)
President & Secretary

Encl.: As above

Disclosure of information pursuant to Regulation 30 and Para A(1) of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), read with Paragraph A(1.2) of Annexure I to the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September, 2015.

I. Amalgamation/ Merger:

1. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover, etc.

A. Details of Transferor Company

Majhulia Sugar Industries Private Limited ("Transferor Company") (CIN: U15122WB2015PTC207281) is a private company, limited by shares, incorporated under the provisions of the Companies Act, 2013 on 31 July 2015 with the Assistant Registrar of Companies, West Bengal. The registered office of the Transferor Company is located at P-7, Transport Depot Road, Kolkata 700 088 in the state of West Bengal. The shares of the Transferor Company are not listed with any stock exchanges.

B. Details of Transferee Company

Jay Shree Tea & Industries Limited ("Transferee Company") (CIN:L15491WB1945PLC012771) is a listed public company, limited by shares, incorporated under the provisions of the Indian Companies Act, 1913 under the name "The Jay Shree Tea Gardens Limited" on 27 October 1945 with the Addl. Registrar of Joint Stock Companies, Bengal under Company Registration Number 548 of 1945-46. Subsequently, the name of the Transferee Company was changed to its existing name on 27 June 1960. The registered office of the Transferee Company is located at Industry House, 10, Camac Street, Kolkata 700 017 in the state of West Bengal. The equity shares of the Transferee Company are listed on BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Association Limited. The Transferee Company holds the entire equity share capital of the Transferor Company.

C. Details of Paid-up Capital, Net Worth and Turnover of the Transferee Company and the Transferor Companies

	as on 31 March, 2020 (Amount in Rs.in Crores)		
	Paid-up Capital	Net Worth*	Turnover
Transferor Company	3.14	16.02	215.26
Transferee Company	14.44	237.87	486.49

*Net Worth = Share Capital + Free Reserves – Miscellaneous Expenditure not Written Off

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”
- A. The proposed Scheme of Amalgamation, as a related party transaction, does not fall within the purview of Section 188 of the Companies Act, 2013, in view of paragraph 2 of the General Circular No. 30/2014 dated 17 July 2014 issued by the Ministry of Corporate Affairs.
 - B. The proposed Scheme of Amalgamation shall be at arm’s length basis. The Scheme does not envisage any issuance of equity shares by the Transferee Company as the entire equity shares of the Transferor Company are held by the Transferee Company and/or its nominees. The shares held by the Transferee Company in the equity share capital of the Transferor Company will get cancelled under the Scheme.

3. Area of business of the entity(ies)

The Transferor Company is engaged in the business of production, manufacture and sale of sugar.

The Transferee Company is engaged in the business of cultivation, manufacture and sale of tea.

Thus, both the Transferor Company and the Transferee Company are engaged in agricultural sector.

4. Rationale for amalgamation/merger

The rationale for the proposed Scheme of Amalgamation is set out below:

- (i) The Transferor Company is the wholly owned subsidiary of the Transferee Company. The Transferor Company and the Transferee Company are engaged in the same sector of business, i.e. agriculture and both have common economic objective and strategic goals. While the Transferee Company is engaged in the business of cultivation, manufacture and sale of tea, the Transferor Company is engaged in the business of production, manufacture and sale of sugar. It would be advantageous to combine the activities and operations in a single company leading to strong capability in effectively meeting future challenges of competitive business environment.
- (ii) The amalgamation will enable the Companies (as defined hereinafter) to streamline their business activities into a single combined entity, thereby resulting in economies of scale and avoidance of undue duplication in work, reduction in common expenditure otherwise incurred by the two entities within common group, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency.
- (iii) The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Companies.

- (iv) The amalgamation will result in diversification of business of the Transferee Company. The business of the Transferor Company can be advantageously combined with the business of the Transferee Company resulting in optimum growth and profitability of the merged entity and enable the merged entity to withstand any cyclical recession.
- (v) The amalgamation will enable the combined entity to leverage their consolidated resources to: (a) increase production capacities; (b) serve the needs of a larger customer base leading to overall business domestically as well as overseas, (c) improved alignment of debt repayments with cash flow, and (d) improved credit rating.
- (vi) The synergies that exist between the two companies in terms of services and resources can be put to the best advantage of all stakeholders.
- (vii) The Scheme is envisaged to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.

Thus, the Scheme of Amalgamation, as envisaged, would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.

5. In case of cash consideration – amount or otherwise share exchange ratio

The Transferor Company is the wholly owned subsidiary of the Transferee Company. No equity shares are sought to be issued under the Scheme. The existing shares of the Transferor Company held by the Transferee Company will be cancelled under the Scheme.

6. Brief details of change in shareholding pattern (if any) of listed entity

There will not be any change in shareholding of the Transferee Company (listed company) under the Scheme. The entire shares of the Transferor Company held by the Transferee Company will get cancelled and there will not be any issuance of equity shares by the Transferee Company.