

JAI BALAJI INDUSTRIES LIMITED

Ref: JBIL/SE/2015-16/2
Date: 18-02-2016

To
The Manager
Listing Department
National Stock Exchange of India Limited
"EXCHANGE PLAZA", C-1, Block G
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051
(Scrip Code: JAIBALAJI)

Dear Sir,

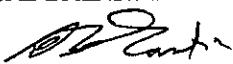
Sub: Outcome of Postal ballot

This is to inform you that the Company has conducted a postal ballot including e-voting for obtaining shareholders approval by way of Special Resolution for issue of warrants on preferential allotment basis, the result of which has been announced today, based on the Scrutinizer's Report dated 18th February, 2016 on the same.

We are pleased to inform you that the said resolution has been passed with the requisite majority. A certified true copy of the resolution has been enclosed herewith for your kind reference and record.

Thanking you.

Yours faithfully,
For **JAI BALAJI INDUSTRIES LIMITED**


AJAY KUMAR TANTIA
Company Secretary

cc: The Manager,
BSE Limited
(Scrip Code: 532976)

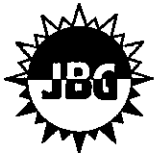
cc: The Listing Department,
The Calcutta Stock Exchange Limited
(Scrip Code: 10020253)

Regd. Office : 5, Bentinck Street, 1st Floor, Kolkata- 700 001.

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JAI BALAJI INDUSTRIES LIMITED

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT BY THE SHAREHOLDERS OF JAI BALAJI INDUSTRIES LIMITED AND ANNOUNCED ON THURSDAY, 18TH FEBRUARY, 2016 AT 5:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 5, BENTINCK STREET, KOLKATA – 700 001

Issue of Warrants, convertible into Equity Shares on Preferential basis

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as **"the Act"**) and in accordance with and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Chapter VII – "Preferential issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, [hereinafter referred to as **"SEBI (ICDR) Regulations"**] (including any statutory modification(s) or re-enactment(s) thereof from time to time) and in accordance with all other applicable regulations, guidelines and clarifications thereon issued by the Securities and Exchanges Board of India (**"SEBI"**), Reserve Bank of India (**"RBI"**), Government of India (**"GOI"**) or any other statutory / regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents or sanctions, the consent of the Company be and is hereby accorded to the Board (which term shall deem to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more its power, including the powers conferred hereunder) to create, offer, issue and allot, on preferential basis, in one or more tranches, upto 2,26,05,000 (Two Crores Twenty Six Lakhs Five Thousand) Warrants, at such price being not less than the price determined in accordance with SEBI (ICDR) Regulations ("Issue Price"), to be convertible at the option of Warrant holders in one or more tranches, within 18 (Eighteen) months from the date of allotment, into equivalent number of fully paid up Equity Share of the Company of face value of Rs.10 (Rupees Ten only) each, ranking pari-passu in all respects, including as to dividend, with the existing Equity Shares of the Company, at such price being not less than the price determined in accordance with SEBI (ICDR) Regulations, to certain persons / entities (hereinafter referred to as the **"Proposed Allottees / Warrant holder"**) whether they are Shareholders of the Company or not, more particularly mentioned in the table below, in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit:

Sl. No.	Name of the Proposed Allottee(s)	No. of Warrants
1	SHRI JAIKAPISH STEEL PRIVATE LIMITED	62,50,000
2	SHRI SANKATMOCHAN STEEL PRIVATE LIMITED	62,50,000
3	MAHESH KUMAR KEYAL (HUF) (Represented by MAHESH KUMAR KEYAL – KARTA)	65,00,000
4	MAHABALI ENTERPRISES PRIVATE LIMITED	36,05,000
	Total	2,26,05,000

"RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Warrants to the Proposed Allottees and the Equity Shares resulting from the exercise of the entitlement of the said

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Warrants, shall be subject to applicable guidelines, notifications, rules and regulations and on the terms and conditions given herein below:

- a) The "Relevant Date" pursuant to Regulation 71 of the SEBI (ICDR) Regulations in relation to the above mentioned Preferential Issue of Warrants, shall be Tuesday, 19th January, 2016 which is a date 30 days prior to the date when the results of the postal ballot are to be announced.
- b) The issue price of the said warrants will be Rs.10/- (Rupees Ten only) per warrant or the minimum price determined in accordance with the SEBI (ICDR) Regulations and applicable law, whichever is higher.
- c) The proposed allottee(s) of Warrants shall be entitled to apply for and obtain, in one or more tranches allotment of one equity share of face value of Rs.10/- (Rupees Ten only) each of the Company against each Warrant within a period of 18 (eighteen) months from the date of allotment of such warrants.
- d) An amount equivalent to at least 25% of the consideration shall be paid against each warrant on or before the date of such allotment.
- e) The Warrant holder(s) shall have the option of applying for and being allotted equity shares of the Company of face value of Rs. 10/- each by paying the balance 75% of the consideration after adjusting the upfront payment made.
- f) In case the Warrant holder(s) do not apply for the conversion of the outstanding Warrants into equity shares of the Company within 18 (eighteen) months from the date of allotment of the said Warrants, then the consideration paid upon each of the said outstanding Warrants shall be forfeited and all the rights attached to the said Warrants shall lapse automatically.
- g) The Equity shares issued and allotted on conversion thereof shall be subject to lock-in for such period as prescribed under the SEBI (ICDR) Regulations.
- h) The said Warrants by itself do not give to the Warrant holder any rights of the Shareholders or Debenture holders of the Company.
- i) The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee or officer of the Company, as it may consider appropriate, to give effect to the aforesaid resolution.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such equity shares as may be required to be issued and allotted upon conversion of the said Warrants and that equity shares shall be subject to the provisions of the Memorandum and Article of Association of the Company and shall rank pari passu in all respects, including entitlement for dividend, with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to decide and approve other terms and conditions of the issue of the Warrants and/or equity shares and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject however to the compliance with the applicable guidelines, notifications, rules and regulations."

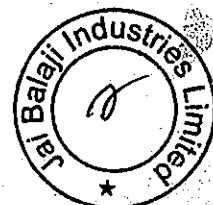
"RESOLVED FURTHER THAT the Board be and is hereby authorised to accept the terms, conditions, modifications and stipulations as the GOI, RBI, SEBI or Stock Exchanges or any other

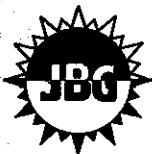
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regulatory authority may stipulate while granting approval to the Company for issue of the Warrants and/or equity shares as aforesaid."

"RESOLVED FURTHER THAT the Board is hereby authorised to take necessary steps for listing of the equity shares allotted upon conversion of Warrants, on Stock Exchanges, where the Company's shares are listed, as per the terms and conditions of the Listing Agreement, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard and in regard to the issue, allotment of the Warrants and/or equity shares and utilisation of the issue proceeds, to prescribe the forms of applications, enter and execute all such deeds, documents, agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approval, permissions, sanctions which may be necessary or desirable as they may deem fit."

CERTIFIED TO BE TRUE COPY

Jai Balaji Industries Limited

Company Secretary

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Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The Company has been experiencing liquidity crunch since a couple of years. With a view to tide over this issue, the Company had approached the Consortium of Bankers for availing credit facilities and they have provided fresh Term Loans Package to the Company. As per the sanction terms of the Banks for availing the Term Loans, the Company has to infuse funds. Accordingly, the Board of Directors at their meeting held on 8th January, 2016, considered, subject to the necessary approval(s), issuance of upto 2,26,05,000 (Two Crores Twenty Six Lakhs Five Thousand) Warrants on preferential basis to certain persons / entities (hereinafter referred to as the "Proposed Allottees / Warrant holder") whether they are Shareholders of the Company or not, with an option to warrant holders to subscribe for equal no. of equity shares of face value of Rs.10/- each.

In terms of the provisions of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and Rules made thereunder (the "Act"), and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations"), as amended, a company can undertake preferential allotment only after obtaining prior approval of the shareholders by way of special resolution on the terms and conditions and formalities as stipulated in the Act and the SEBI (ICDR) Regulations.

The details of the issue and other particulars as required in terms of the Act and SEBI (ICDR) Regulations in relation to the aforesaid Special Resolution are given as under:

1. Objects of the Preferential Issue:

As mentioned above, the objective of the issue of warrants is to meet the conditions of sanction terms of the Banks for availing the Term Loans.

2. The total number of securities to be issued:

The Board intends to offer, issue and allot up to 2,26,05,000 (Two Crores Twenty Six Lakhs Five Thousand) Warrants on preferential basis in accordance with SEBI (ICDR) Regulations and other applicable laws.

3. The price at which the allotment is proposed:

The issue price of the said warrants will be Rs.10/- (Rupees Ten only) per warrant or the minimum price determined in accordance with the SEBI (ICDR) Regulations and applicable law, whichever is higher.

4. Basis on which price has been arrived at along with report of the registered valuer:

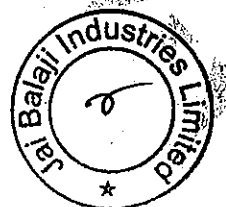
As such this is not applicable in the present case since the Company is a listed company and the pricing is in terms of the SEBI (ICDR) Regulation.

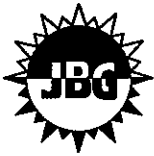
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5. The proposal / intention of the Promoters, Directors or Key Managerial Personnel to subscribe to the Offer:

The companies falling under the promoter group / person acting in concert viz. Shri Jaikapish Steel Private Limited & Shri Sankatmochan Steel Private Limited have indicated their intention to subscribe to the offer. No warrants are being offered to the directors or Key Managerial Personnels of the Company.

6. Relevant date:

The "Relevant Date" in terms of Regulation 71 of the SEBI (ICDR) Regulations for determination of minimum price is Tuesday, 19th January 2016, being a date which is 30 (Thirty) days prior to the date when the results of this postal ballot will be announced, i.e. Thursday, 18th February, 2016.

7. The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to the Proposed Allottees as mentioned at point no. 10 below.

8. Shareholding Pattern before and after the Preferential Issue:

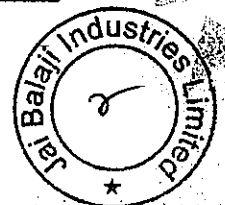
Sl. No	Category of Shareholders	Pre-Issue Equity Shareholding (as on 31.12.2015)		Post-Issue Equity Shareholding (Assuming full conversion of warrants)*	
		Number	%	Number	%
A	Promoters and promoter group				
	1. a) Indian Promoters	43,263,195	58.64	55,763,195	57.85
	b) Foreign Promoters	NIL	NIL	NIL	NIL
	Sub Total	43,263,195	58.64	55,763,195	57.85
B	Non-promoter				
	2. Institutional Investors				
	a) Mutual Funds/ UTI	NIL	NIL	NIL	NIL
	b) Financial Institutions/ Banks	NIL	NIL	NIL	NIL
	c) Insurance Companies/ Govt. Institutions.	NIL	NIL	NIL	NIL
	d) Foreign Institutional Investors	3,118,100	4.23	3,118,100	3.24
	e) Qualified Foreign Investors	NIL	NIL	NIL	NIL
	f) Venture Capital Funds	NIL	NIL	NIL	NIL
	Sub total	3,118,100	4.23	3,118,100	3.24
	3. Others				

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a) Bodies Corporate	71,66,099	9.71	10,771,099	11.17
b) Individual holding	1,22,16,273	16.56	18,716,273	19.42
c) Foreign Companies	74,50,783	10.10	7,450,783	7.73
d) Non Resident Individuals	4,78,428	0.65	4,78,428	0.50
e) Clearing Member	34,667	0.05	34,667	0.03
f) others	53,941	0.07	53,941	0.06
Sub total	2,74,00,191	37.14	3,75,05,191	38.91
Grand Total	7,37,81,486	100.000	96,386,486	100.00

**the figures in the shareholding pattern are on the assumption that all the warrants will be subscribed, pursuant to the shareholders resolution and all said warrants will be exercised/ converted into equity shares. However, if any warrants are not issued /allotted and the warrants are not exercised, the figures will change accordingly.*

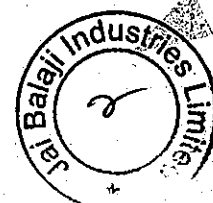
9. Proposed time frame within which the issue shall be completed:

The allotment of Warrants shall be completed within a period of 15 days from the date of passing of the Resolution by the Shareholders provided where the allotment is pending on account of any approval from any Regulatory Authority/Body the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

10. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them:

Sl. No.	Name of the proposed allottees	Ultimate Beneficial Owner	Post-Issue Equity Shareholding (Assuming full conversion of warrants)*	
			Number	%
1	SHRI JAIKAPISH STEEL PRIVATE LIMITED	Shri Devendra Prasad Jajodia	62,50,000	6.48
2	SHRI SANKATMOCHAN STEEL PRIVATE LIMITED	Shri Devendra Prasad Jajodia	62,50,000	6.48
3	MAHESH KUMAR KEYAL (HUF)	Shri Mahesh Kumar Keyal	65,00,000	6.74
4	MAHABALI ENTERPRISES PRIVATE LIMITED	Shri Anshuman Dalmia	36,05,000	3.74

**the figures in the Post-Issue Equity shareholding are on the assumption that all the warrants will be subscribed, pursuant to the shareholders resolution and all said warrants will be exercised/ converted into equity shares. However, if any warrants are not issued /allotted and the warrants are not exercised, the figures will change accordingly.*

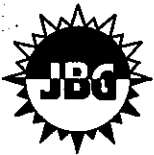


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11. Change in control consequent to the preferential issue:

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

12. The Company hereby undertakes that:

- i. It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, where it is so required.
- ii. If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations the above warrants/ shares shall continue to be locked-in till the time such amount is paid by the allottees.

13. Auditors' Certificate:

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations shall be made available for inspection at the registered office of the Company on or after Monday, 18th January 2016 between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of the Postal Ballot.

14. Lock-in Period:

The securities allotted to Proposed Allottees shall be locked in as per Regulation 78 and other applicable provisions of SEBI (ICDR) Regulations.

15. Others:

Save and except the Preferential Issue as proposed in the resolution as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members. The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution, except Shri Aditya Jajodia, Shri Rajiv Jajodia, Shri Sanjiv Jajodia and Shri Gourav Jajodia, promoter directors of the Company and their relatives.

CERTIFIED TO BE TRUE COPY
Jai Balaji Industries Limited

Company Secretary

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