IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 199 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 910 OF 2014

Puneet Resins Limited....Petitioner/Transferee Company

In the matter of Companies Act, 1956 (1 of 1956)

And

In the matter of Section 391 & 394 of the Companies Act, 1956; (to the extent applicable provisions of the Companies Act, 2013)

And

In the matter of Scheme of Amalgamation between Rishiroop Rubber (International) Limited and Puneet Resins Limited and their respective shareholders and creditors

Called for Hearing

Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocates for the Petitioner.

Mr. G Hariharan, i/b Mr. A.A. Ansari for Regional Director.

CORAM: S. J. Kathawalla, J.

DATE: 8th May 2015

PC:

1. Heard the learned counsel for the Petitioner. No objector has come before the court to oppose the Scheme and nor any party has controverted any averments made in the petition.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to the Scheme of Amalgamation between Rishiroop Rubber (International) Limited and Puneet Resins Limited and their respective shareholders and creditors.

3. The learned Counsel for the Petitioner states that the Petitioner Company is engaged in the business of manufacturing polymer blend for the Rubber and Plastics Industries, and trading / distribution of complementary product line to its customers in these industries. The Transferor Company is engaged in the business of marketing and trading of industrial raw materials for Rubber, Plastics, Paints and Inks Industry.

4. Learned Counsel for the Petitioner states that the rational for Scheme is that both the Companies are engaged in the similar line of business and intend to / can achieve larger product portfolio, economies of scale, efficiency, optimization of logistics and distribution network and other related economies of scale by consolidating the business operations being managed by different management teams and the Amalgamated entity can offer comprehensive basket of products to its customers and shall have increased customer base domestically and globally. Greater integration and greater financial strength and flexibility for the Amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the Amalgamated entity.

5. The Petitioner Company approved the said Scheme by passing the Board Resolution which is annexed to the Company Scheme Petition. Filed on behalf of Petitioner Company.

6. The learned counsel for the Petitioner states that the Petitioner Company has complied with all directions passed in Company Summons for Directions and that the Company Scheme Petition has been filed in consonance with the orders passed in respective Company summons for Directions.

7. The learned counsel for the Petitioner Company further states that the Petitioner Company has complied with all requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, Petitioner Company undertakes to comply with all

statutory requirements if any, as required under the Companies Act, 1956/2013 and the rules made there under. The said undertaking is accepted.

8. The Regional Director has filed an Affidavit on 5th May, 2015 in the above Petition stating therein that save and except as stated in paragraphs 6(a) to 6(f) of the said Affidavit, it appears that the scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6(a) to 6(f) of the said Affidavit, the Regional Director has stated that:-

6. "That the Deponent further submits that:-

(a) Clause 7.3 of the scheme provides for adjustment for differences in Accounting Policies between Transferor Company and Transferee Company. In this regard, it is submitted that in addition to the compliance of Accounting Standard '14' the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standard such as AS-5 etc,

(b) Clause 12 of the scheme provides for change of name of Transferee Company. In this connection Transferee Company may be directed to comply with the provisions of section 21/23 of the Companies Act 1956 corresponding to new section 13 read with 16 of the Companies Act, 2013 in respect of filing of necessary forms with the Registrar of Companies and the proposed new name will be allowed subject to availability of the same, by the Register of Companies since under the computerized MCA 2l system of allotting the names, it is systemically not possible to reserve the names. Therefore, the name if available at the time of filing of such application shall be made available by the Registrar of Companies, Mumbai.

(c)That the Registered office of the Transferor Company is situated in the state of Gujarat. Hence the Transferor Company has to file similar petition before the Hon'ble High Court of Gujarat for approving the said scheme.

(d)Equity shares of both the Transferor Company and Transferee Company are held by foreign body corporate. Hence for allotment of new shares to the Non-Resident shareholder of Transferor Company, the Transferee Company may be directed to comply with FEMA/RBI regulations as applicable in this regard.

(e) Issue of optionally Convertible Preference shares to the Non-Resident equity shareholders of Transferor company is subject to all the norms applicable for ECBs viz eligible borrowers, recognized lenders, amount and maturity, end use stipulation' etc as stipulated by the RBI circular RBI/2006-2007/434 A,P(DIR series – Circular No 73 dated June 8,2007 read with consolidated FDI policy effective from April 17, 2014. The Transferee Company shall ensure the compliance of said circular.

(f)That the Deponent further submits that the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is on the Petitioner company.

9. As far as observations made in paragraph 6(a) of the Affidavit of Regional Director is concerned, the Petitioner Company through their Counsel undertakes that the Petitioner Company will pass such accounting entries which are necessary in connection with the scheme to comply with other applicable accounting standards.

10. In so far as observation made in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Petitioner/ Transferee Company undertakes to comply with the provisions of section 21/23 of the Companies Act 1956 corresponding to new section 13 read with 16 of the Companies Act, 2013 in respect of filing of necessary forms with the Registrar of Companies and the proposed new name will be allowed subject to its availability by the Register of Companies at the time of filing of such application.

11. In so far as observation made in paragraph 6 (c) of the Affidavit of Regional Director is concerned, the Counsel for the Petitioner states that the Transferor Company has also filed Petition before the Gujarat High Court being Company Petition No. 95 of 2015 and the same is pending.

12. In so far as observation made in paragraph 6(d) of the Affidavit of Regional Director is concerned, the Petitioner/Transferee Company undertakes to comply with FEMA/RBI regulations as may be applicable for allotment of new shares to the Non-Resident shareholder of Transferor Company.

13. In so far as observation made in paragraph 6(e) of the Affidavit of Regional Director is concerned, the Petitioner Company through their Counsel undertakes that for issuances *of* optionally Convertible Preference shares to the Non-Resident equity shareholders of Transferor company the Petitioner Company shall comply with all the norms applicable for ECBs viz eligible borrowers, recognized lenders, amount and maturity, end use stipulation' etc as stipulated by the RBI circular RBI/2006-2007/434 A,P(DIR series – Circular No 73 dated June 8,2007 read with consolidated FDI policy effective from April 17, 2014 to the extent it may be applicable.

14. In so far as observation made in paragraph 6(f) of the Affidavit of Regional Director is concerned, the Petitioner Company through their Counsel undertakes the Petitioner Company is bound to comply with all the applicable provision of Income Tax Act, and all tax issues arising out of Scheme will be met and answered in accordance with law.

15. The Learned Counsel for Regional Director on instructions of Mr. M. Chandanamutthu, Joint Director (Legal) in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertaking given by the Petitioner Company. The said undertaking given by the Petitioner Company are accepted.

16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

17. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 199 of 2015 filed by the Petitioner Company is made absolute in terms of prayers clause (a) of the Petition subject to sanction of the Scheme of Amalgamation from The High Court of Gujarat.

18. The Petitioner Company is directed to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court, Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the order.

19. The Petitioner is directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with INC 28 in addition to physical copy, as per the relevant provisions of the Companies Act, 1956/2013 whichever is applicable.

20. The Petitioner Company to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai. Costs to be paid within period of four weeks from today.

21. Filing and issuance of the drawn up order is dispensed with.

22. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S J Kathawalla, J.)