

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 726 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 705 OF 2015

In the matter of the Companies Act, 1956
(1 of 1956) (or any re-enactment thereof
upon effectiveness of companies Act,
2013);

AND

In the matter of Sections 391 to 394 read
with sections 100 to 103 of the Companies
Act, 1956 and section 52 of the
Companies Act, 2013 and other applicable
provisions of the Companies Act, 1956
and Companies Act, 2013;

AND

In the matter of Scheme of Arrangement
between Krishiraj Trading Limited
("KTL" or "the Demerged Company 1")

AND

Welspun Fintrade Private Limited
("WFTPL" or "the Demerged Company
2")

AND

Rank Marketing Private Limited
("RMPL" or "the Resulting Company")

AND

Their Respective Shareholders

RANK MARKETING PRIVATE LIMITED

..... Petitioner Company

Called for Hearing

Mr. Rajesh Shah i/b Rajesh Shah & Co., Advocates for Petitioner Company.

Mrs. P. Awasthi i/b Mr. A.A.Ansari for Regional Director.

Coram: K. R. Shriram, J.

Date: 20th November, 2015

1. Heard the learned advocate for the Petitioner Company. No objector has come before the court to oppose the Scheme and nor any party as controverted any averments made in the Petition.
2. The sanction of the Court is sought under Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and to the Scheme of Arrangement between Krishiraj Trading Limited (KTL) and Welspun Fintrade Private Limited (WFTPL) and Rank Marketing Private Limited (RMPL) and their Respective Shareholders.
3. The learned advocate for the Petitioner Company states that the proposed Scheme of Arrangement would benefit the stakeholders by focusing and enhancing the business more particularly of respective undertakings of Demerged Companies by streamlining their operations. The proposed Scheme of Arrangement would also provide greater flexibility to all the entities in operations and create long term value for it and pursue different business strategies and raise resources for meeting their respective growth requirements. It will also enable Resulting Company to carry on and conduct the business of the Energy Undertakings, in a focused manner and more efficiently and advantageously. The Petitioner Company had

approved the said Scheme of Arrangement by passing the Board Resolution which is annexed to the Company Scheme Petition filed by the Petitioner Company.

4. The learned Advocate for the Petitioner state that Petitioner Company has complied with all directions passed in company summons for Direction and that the Company Scheme Petition has been filed in consonance with order passed in Company summons for Direction.
5. The learned advocate appearing on behalf of the Petitioner has stated that the Petitioner Company has complied with all requirements as per direction of this Court and it has filed necessary affidavit of compliance in the Court. Moreover, Petitioner Company undertake 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 given by the Petitioner Company is accepted.
6. The Regional Director has filed an Affidavit on 16th November, 2015 stating therein, save and except as stated in paragraph 6 (a) and 6 (b) of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 (a) and 6 (b) of the said Affidavit, the Regional Director submits that:-

6. That the Deponent further submits that,

(a) That the Registered Office of both the Demerged Company No 1 and Demerged Company No 2 is situated in the state of Gujarat. Hence, Both the Demerged Companies have to file similar petition before the Hon'ble High Court of Gujarat for approving the said Scheme.

(b) 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 scrutinise the tax returns filed by the petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the petitioner company.

7. As far as the observation in paragraph 6 (a) of the affidavit of the Regional Director is concerned, the Petitioner through their advocate states that both the Demerged Companies had filed the petitions in the Gujarat High Court and the Hon'ble Gujarat High Court vide Order dated 29/09/2015 passed in Company Petition No. 272 of 2015 and Company Petition No. 269 of 2015, has sanctioned the said Scheme of Arrangement.
8. So far as the observation in paragraph 6 (b) of the affidavit of the Regional Direction is concerned, the Petitioner through its advocate submits that the petitioner is bound to comply with all the applicable provisions of the Income Tax Act, and all tax issues arising out of the Scheme will be met and answered in accordance with law.
9. The Counsel for the Regional Director on instructions of Mr. M Chandanamuthu, Joint Director (Legal) in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the submissions given by the Petitioner Company. The said submissions given by the Petitioner Companies are accepted.
10. 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.
11. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clauses (a) and (b) of the Petition.

12. The Petitioner Company to file a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), 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 Order.
13. The Petitioner Company is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28 in addition to physical copy as per the provisions of the Companies Act 1956 / 2013.
14. The Petitioner Company in the Company Scheme Petition to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the order.
15. Filing and issuance of the drawn up order is dispensed with.
16. 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.

(K. R.Shriram, J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

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