THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO.41OF 2015.
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTIONS NO.877 OF 2014.

RAJLAXMI RESINS PRIVATE LIMITED,
....Petitioner Company.

AND

COMPANY SCHEME PETITION NO.42 OF 2015.
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTIONS NO.878 OF 2014

IDEAL CHEMI PLAST PRIVATE LIMITED,
....Petitioner Company.

In the matter of the Companies Act 1 of 1956;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation and Arrangement of Rajlaxmi Resins Private Limited,

AND

Ideal Chemi Plast Private Limited and Their Respective Shareholders and Creditors.

Called for hearing

Mr. Rahul Oak, Advocate for the Petitioners in both the Petitions.
Mr. S. Ramakantha, Official Liquidator, present in Company Scheme Petition No. 41 of 2015.
Mr. C. J. Joy i/b Dr. H.P.Chaturvedi for Regional Director in both the Petitions.

CORAM: S. J. Kathawalla, J.
DATE : 10th April, 2015

PC:

1. Heard learned counsel for the parties. 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 to a Scheme of Amalgamation and Arrangement of Rajlaxmi Resins Private Limited and Ideal Chemi Plast Private Limited and their Respective Shareholders and Creditors, under Sections 391 to 394 of the Companies Act, 1956.

3. Learned Counsel for the Petitioners states that the Transferor Company is in business of manufacturing synthetic resins and plastics and the Transferee Company is in business of manufacturing and trading of plastic products. The proposed scheme of Amalgamation will have the benefit that The integration of the operations of Transferor Company and Transferee Company would have the benefit of eliminating duplication of processes resulting in cost savings and a simplified corporate structures and a simplified corporate structure and improved management focus and centralizing the activities of the two companies is expected to lead to improvement in operational and cost efficiency through economies of scale, optimization of resources into the enlarged merged company and post the amalgamation of Transferor Company and Transferee Company, Transferor Company will be dissolved and consequently, there would be less regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings etc and therefore reduction in administrative costs.

4. The Transferor Company and Transferee Company has approved the said Scheme of Amalgamation by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.

5. The learned Advocate for the Petitioners further states that, Petitioner Companies have complied with all the directions passed in Company Summons for Directions and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Directions.

6. The learned counsel appearing on behalf of the Petitioners have stated that the Transferor Company and Transferee Company have complied with all requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and rule made there under whichever is applicable. The said undertaking is accepted.

7. The Official Liquidator has filed his report on 07th April, 2015 in Company Scheme Petition Nos. 41 of 2015 stating that the affairs of the Transferor Company has been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.

8. The Regional Director has filed an Affidavit on 26th March, 2015 stating therein, save and except as stated in paragraph 6, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said Affidavit, it is stated as under.

> "6. That the deponent further submits that:-

(a) Clause 14.2 of the scheme provides for adjustment of difference arising out of this scheme of Amalgamation. In this regard, it is submitted that the surplus/ Reserve, if any arising out of the scheme shall be credited to capital Reserve

(b) It is respectfully submitted that the tax implication, if any, arising out of the Scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Transferee Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the petitioner companies."

9. So far as the observation in paragraph 6 (d) of the Affidavit of Regional Director is concerned, the Transferee Company through its counsel for the undertakes that the Surplus, if any arising out of the scheme shall be credited to Capital Reserve Account of Transferee Company and the Deficit, if any arising, shall be debited to Goodwill Account of the Transferee Company.

10. So far as the observation in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Petitioner Companies are bound to comply with all applicable provision of Income Tax Act, and all tax issues arising out of Scheme will be met and answered in accordance with law

11. The Learned Counsel for Regional Director on instructions of Mr. M. Chandana Muthu, 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 Advocate for the Petitioner Company. the said undertaking is accepted.

12. 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.

13. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition Nos. 41 of 2015 and 42 of 2015 are made absolute in terms of prayer clauses (a) and (c).

14. The Petitioner Companies to lodge 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 the order.

15. Petitioners are directed to file a copy of this order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically, along with E-Form INC 28 in addition to physical copy as per the relevant provisions of the Companies Act, 1956/2013 whichever is applicable.

16. The Petitioner Companies to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioners in the Company Scheme Petition No. 41 of 2015 to pay costs of Rs.10,000/- each to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the Order.

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

18. 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.)