

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 02.12.2016

DELIVERED ON : 03.01.2017

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The Honourable **Mr.Justice RAJIV SHAKDHER**

C.P.Nos. 273 and 274 of 2016

M/s.Renaissance RTW Asia (P) Limited
No.2/46, Sedapalayam, Palladam - 641 664
Tirupur District
rep. by its Director
Mr.C.Anandhakumar

.. Petitioner in C.P.No.273 of 2016/
Demerged Company

M/s.RC Colours Private Limited
3/510, Kupbandampalayam
Tirupur - 641 605
Tirupur District
rep. by its Director
Mr.C.Anandhakumar

.. Petitioner in C.P.No.274 of 2016/
Resulting Company

Petitions filed under sections 391 to 394 of the Companies Act, 1956 read with Rules 9, 11(A) and 79 of Companies (Court) Rules, 1959 to sanction the scheme of arrangement (demerger).

For Petitioners : Mr.Vidhya Shankar
for M/s.Ramani & Shankar

Mr.K.Raju , CGSC
for Regional Director
Ministry of Company Affairs
Chennai

COMMON ORDER

1. These Company Petitions are preferred under Sections 391 to 394 of the Companies Act, 1956 for seeking a sanction of the Scheme of arrangement (Demerger) (in short the Scheme) concerning M/s.Renaissance RTW Asia (P) Limited (in short Demerged company) and M/s.RC Colours Private Limited (in short Resulting company), with effect from 01.01.2016. The Scheme is appended as Annexure 'D' to the petitions.

2. The petitioner in C.P.No.273 of 2016 is the Demerged company and, the petitioner, in C.P.No.274 of 2016 is the Resulting Company.

3. A perusal of the record shows that both the Demerged company and the Resulting company have complied with the formalities as prescribed under the Companies Act, 1956 and the Rules framed thereunder.

4. Copies of two separate resolutions of even date, i.e., 15.04.2016, passed by the Board of Directors of both the Demerged Company as well as the Resulting Company, approving the scheme, is enclosed as Annexure 'E' to the petitions.

5. A Certificate of the Chartered Accountant has been filed which, inter alia, holds out that the Demerged Company has no secured creditor. The said certificate is marked as Annexure 'G' and is appended to C.P.No.273 of 2016.

5.1. In so far as unsecured creditors are concerned, the Demerged company has 87 unsecured creditors, valued at Rs.2.22 Crores. A Chartered Accountant's certificate confirming the same is appended as an additional document. It is averred that out of the 87 unsecured creditors, 4 unsecured creditors, valued at Rs.1.90 crores, have given their consent to the proposed Scheme. It is averred that in respect of 83 unsecured creditors, the total owed amount is less than Rs.3.00 lakhs.

5.2. The affidavits of the equity shareholders of the demerged and company giving their consent to the scheme is appended as Annexure 'F series' to C.P.No.273 of 2016.

5.3. By order dated 30.06.2016 in C.A.No.534 of 2016, this Court dispensed with the convening, holding and conducting of the meeting of the shareholders of the demerged company to consider the proposed Scheme, inter alia, for the reason that its equity shareholders had given their consent to it.

6. It is stated that there are no secured creditors as well as unsecured creditors as far as the Resulting Company is concerned. A certificate of the Chartered Accountant confirming the said position is appended as Annexure 'G' to C.P.No.274 of 2016.

6.1. The affidavits of the equity shareholders of the resulting company giving their consent to the scheme is appended as Annexure 'F series' to C.P.No.274 of 2016.

6.2. By order dated 30.06.2016 in C.A.No.535 of 2016, this Court dispensed with the convening, holding and conducting of the meeting of the shareholders of the resulting company to consider the proposed Scheme, inter alia, for the reason that its equity shareholders had given their consent to it.

7. The petitioners state that no investigation proceedings are pending against the them under Sections 235 to 250A of the Companies Act, 1956.

8. Upon notice being issued, the Regional Director, Ministry of Company Affairs has filed his report stating that he has no objection to the scheme being sanctioned.

9. I have perused the proposed scheme filed along with the captioned petitions. I find that the said Scheme is not prejudicial to the interest of any person or entity, which has a stake/interest in the petitioners. The said scheme as framed is not violative of any statutory provisions.

10. The proposed scheme, as formulated, is fair, just, sound and is not contrary to any public policy or public interest. No proceedings appear to be pending under the provisions of Sections 231 to 251 of the Companies Act, 1956. All the statutory provisions appear to have been complied with.

11. Consequently, there shall be an order approving the scheme of arrangement (Demerger) between M/s.Renaissance RTW Asia (P) Limited (Demerged company) and M/s.RC Colours Private Limited (Resulting company), with effect from 01.01.2016, as per the procedure laid down under Sections 391 to 394 of the Companies Act, 1956. Needless to say, the procedure prescribed will be duly complied with.

12. It is made clear, that this order will not be construed as an order granting exemption from payment of stamp duty or, taxes or, any other charges, if any, payable, as per the relevant provisions of law or, from any applicable permissions that may have to be obtained

or, even compliances that may have to be made, as per the mandate of law.

13. The learned Senior Central Government Standing Counsel is entitled to a fee of Rs.5,000/- from the Demerged company.

14. The above petitions are disposed of in the aforementioned terms.

03.01.2017

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RAJIV SHAKDHER,J.

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Pre-Delivery Order in
C.P.Nos.273 and 274 of 2016

Dated: 03.01.2017

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