

Certified True Copy

For RSWM Limited



Company Secretary

(1)

Certified P.S. Copy of order dt.....26-3-15

IN THE HIGH COURT OF RAJASTHAN AT JODHPUR

ORIGINAL JURISDICTION

COMPANY PETITION NO. 10 OF 2014



IN THE MATTER OF:

Sections 391 to 394 of the Companies Act, 1956;

AND IN THE MATTER OF:

**SCHEME OF AMALGAMATION OF CHESLIND TEXTILES LIMITED**

WITH RSWM LIMITED pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956

AND IN THE MATTER OF:

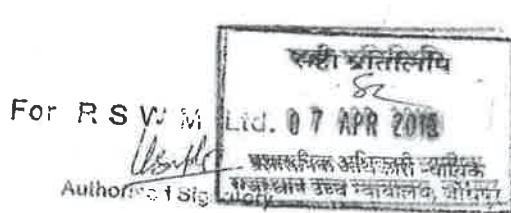
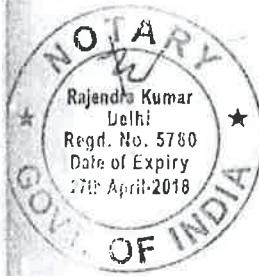
**CHESLIND TEXTILES LIMITED**, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at B Muduganapalli, Bagalur-635103, Hosur Taluk, Krishnagiri District, Tamil Nadu., India within the aforesaid jurisdiction.

... TRANSFEROR COMPANY

AND IN THE MATTER OF:

**RSPWM LIMITED**, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at Kharigram, P.O Gulabpura-311021, District, Bhilwara, Rajasthan, India.

....PETITIONER/TRANSFeree COMPANY





IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN AT  
JODHPUR

ORDER

S.B.COMPANY PETITION NO.10/14

**RSWM Limited**

**-Petitioner Transferee Company**

Dated: 26.3.15

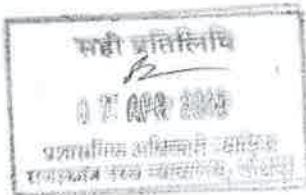
**HON'BLE MR.JUSTICE SANGEET LODHA**

Mr. Shreyansh Mehta and Ms. Harshil Maheshwari, for the petitioner.  
Mr. A.K. Rajvanshy, for Regional Director, Ministry of Corporate Affairs.

**BY THE COURT:**

1. This Company Petition has been filed under Sections 391 to 394 of Companies Act, 1956 ( for short "Act"), seeking sanction of proposed Scheme of Arnalgamation between Cheslind Textiles Limited (hereinafter referred to as 'Transferor Company') and RSWM Limited (hereinafter referred to as 'Transferee Company'), whereby the entire undertaking of the Transferor Company with assets & liabilities, upon the Scheme becoming effective, shall stand transferred to and vested in the Transferee Company, so as to become properties and liabilities of the Transferee Company.

2. The Petitioner-Transferee Company has its registered office



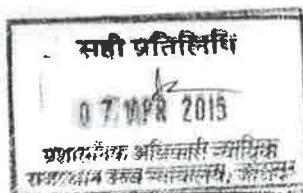


situated at Kharigram, Gulabpura, within the jurisdiction of this Court. The registered office of the Transferor Company is situated in State of Tamilnadu, in respect whereof, it is informed that a separate petition seeking sanction of proposed Scheme of Amalgamation is preferred before the High Court of Madras.

3. The Scheme of Amalgamation stands approved by the Board of Directors of the Petitioner-Transferee Company in its meeting held on 9.4.14.

4. The Petitioner-Transferee Company has authorized Share Capital Rs. 85,00,00,000/- (Rupees Eighty Five Crores only) divided into 4,75,00,000 (Four Crores Seventy Five Lakhs only) Equity Shares of Rs.10/- each and 25,00,000 (Twenty Five Lakhs) Optionally Convertible Redeemable Preference Shares of Rs. 150/- (Rupees One Hundred Fifty Only). The Issued, Subscribed and Paid-Up Share Capital of the Applicant Transferee Company is Rs. 23,14,86,890/- (Rupees Twenty Three Crores Fourteen Lakhs Eighty Six Thousand Eight Hundred and Ninety Only) divided into 2,31,48,689 (Two Crores Thirty One Lakhs Forty Eight Thousand Six Hundred and Eighty Nine Only) Equity shares of Rs. 10/- (Rupees Ten only) each.

5. As on 21.6.14, the Petitioner-Transferee Company had 12,924 Equity Share Holders. The Petitioner-Transferee Company has 12 Secured Creditors and the Secured Debt due as



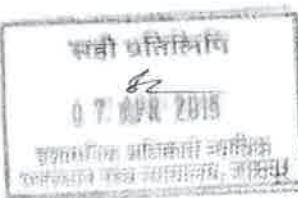


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on 21.6.14, is 113,020.53 lakhs. The number of Unsecured Creditors of the Transferee Company as on 21.6.14 were 2,627 with unsecured debt due a sum of Rs.40,74,61,483/-.

6. The Petitioner-Transferee Company had filed a Company Application registered as Company Application No.7/2014, seeking directions for convening, holding and conducting separate meetings of its Equity Shareholders, Secured Creditors and Unsecured Creditors. Vide order dated 26.9.14 passed by this Court in the said Company Application, this court directed to convene and hold separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner-Transferee Company on the date and time specified, for the purpose of considering and if thought fit, approving with or without modification the Scheme of Amalgamation.

7. The Court appointed Mr. Anjay Kothari, Advocate and failing him Dr.Sachin Acharya, Advocate, to be the Chairman of the meeting of Equity Shareholders of the Transferee Company. Mr.Anjay Kothari, Advocate and failing him Mr. Digvijay Singh Jasol, Advocate was appointed to be the Chairman of the meeting of the Secured Creditors of the Transferee Company. Dr.Sachin Acharya, Advocate and failing him Mr.Siddharth Tatia, Advocate was appointed as Chairman of the Meeting of the Unsecured Creditors of the Petitioner-Transferee Company.





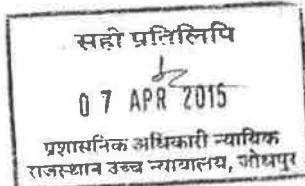
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8. Pursuant to order dated 26.9.14 passed by this court as aforesaid and in conformity with the provisions of the Companies (Court) Rules, 1959, the notices of the meetings were published in Hindi Daily Newspaper Rajasthan Patrika (All Editions) and The Times of India (Rajasthan Edition) in English language, on 13.10.14. That apart, individual notice alongwith statement under Section 393, Scheme of Amalgamation and proxy form of the meetings were sent individually to the share holders through prepaid ordinary post in due compliance of the directions issued vide order dated 26.9.14.

9. The meeting of Equity Shareholders of the Petitioner-Transferee Company was convened on 8.11.14 at 11 a.m., at its registered office at Kharigram, Gulabpura, wherein the Scheme of Amalgamation was duly approved without modification by the requisite majority in accordance with the provisions of Section 391 of the Act. In this regard, the report of the Chairman of the Meeting Mr. Anjay Kothari, placed on record is self explanatory.

10. The meeting of Secured Creditors of the Petitioner-Transferee Company was convened at its registered office on 8.11.14 at 12.30 pm. The proposed Scheme of Amalgamation was approved without modification by the requisite majority.

11. Similarly, the Scheme of Amalgamation stands approved without modification, by the Unsecured Creditors by requisite



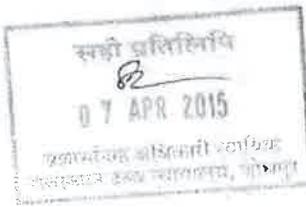


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majority in its meeting held on 8.11.14 at 2 pm at the registered office of the Petitioner-Transferee Company.

12. Now, the Petitioner-Transferee Company has preferred this petition seeking sanction of the Scheme of Amalgamation. Vide order dated 9.1.15 passed by this court, notice of the petition was directed to be issued to the Registrar of the Companies, Rajasthan and the Regional Director, Ministry of Corporate Affairs, North West Region, Ahmedabad. That apart, the notice of hearing was also published in the Hindi daily newspaper and English daily newspaper, wherein the notices of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors were published, as directed by this court.

13. In response to the notice, the Regional Director, North Western Region, has filed affidavit stating that the Petitioner-Transferee Company is listed with the BSE and NSE. It is submitted that the company is required to comply with the provisions of the circular of SEBI No.CIR/CFD/DIL/5/2013 dated 4.2.13 and CIR/CFD/DIL/8/2013 dated 21.5.13, where under the listed company is required to obtain a NOC from SEBI, apart from the Stock Exchanges where shares are listed, for approval of the Scheme of Amalgamation. It is submitted that the Petitioner-Transferee Company is required to comply with the provisions of FEMA and RBI Guidelines in respect of issue of



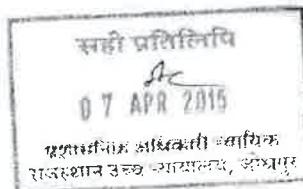


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shares to the foreign shareholders. It is further submitted that the Ministry of Corporate Affairs vide its Circular No.2/1/2014 dated 15.1.14 has directed that the Regional Director concerned shall invite specific comments from the Income Tax Department giving 15 days time to the Income Tax Department to inform objections, if any, to the proposed Scheme under Section 391 or 394, as the case may be and file the report on behalf of the Central Government. It is stated that the Directorate vide letter dated 13.2.15 requested the Chief Commissioner of Income Tax, Rajasthan, to give specific comments of the Income Tax Department about the proposed Scheme, however, no reply has been received from the Income Tax Department in this regard. It is stated that as per the report of the Office of Registrar of Companies, there are no complaints against the Petitioner-Transferee Company including any complaint/representation against the Scheme of Amalgamation of the Company. It is a categorical stand of the Regional Director that the Scheme of Amalgamation is not prejudicial to the interest of Shareholders of the Petitioner-Transferee Company and the public at large.

14. No other objection whatsoever against the grant of the sanction to the proposed Scheme of Amalgamation has been received from any other party till this date.

15. The Petitioner-Transferee Company has filed a counter



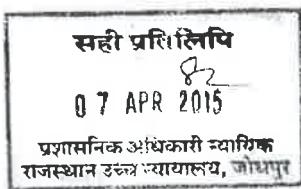


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affidavit to the affidavit filed on behalf of the Regional Director, North Western Region, Ministry of Corporate Affairs, Ahmedabad categorically stating that the Petitioner-Transferee Company shall comply with all the provisions of SEBI circular No.CIR/CFD/DIL/5/2013 dated 4.2.13 and CIR/CFD/DIL/8/2013 dated 21.5.13, as required for the implementation of the Scheme of Amalgamation after it has been sanctioned by this court. It is submitted that the Petitioner-Transferee Company shall comply with all necessary provisions of RBI and FEMA Guidelines with regard to issue of shares of the Petitioner-Transferee Company to the foreign shareholders. The Petitioner-Transferee Company has also assured the compliance of all the relevant provisions of the Income Tax Act, 1961 and the rules made thereunder, as required for the implementation of the Scheme of Amalgamation after it has been sanctioned by this court.

16. Mr.A.K.Rajvanshy, Assistant Solicitor General, appearing for the Regional Director has submitted that in view of the categorical undertaking given by the Petitioner-Transferee Company ensuring compliance of the SEBI circulars, FEMA and RBI Guidelines and compliance of provisions of the Income Tax Act and the rules, the Directorate, Corporate Affairs has no objection against the sanction of the Scheme of Amalgamation.

17. It is to be noticed that 3,16,57,900 (69.85%) Equity



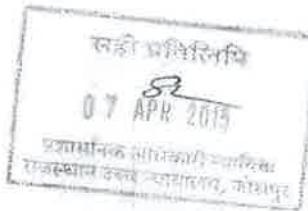


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shares of Rs.10/- each out of total 4,53,23,335 Equity shares of Rs.10/- each of the Transferor Company are held by the Petitioner-Transferee Company and therefore, Transferor Company is subsidiary company of the Petitioner-Transferee Company. No adverse remark or comment, irregularity or mismanagement of affairs of the Petitioner-Transferee Company is reported by the Auditor in the Audit Report. No investigation proceedings are alleged to be pending against the Petitioner-Transferee Company under Section 235 to 251 or any other provisions of the Act of 1956.

18. In view of the approval accorded by the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner-Transferee Company; the opinion of the Regional Director, North-Western Region, Ministry of Corporate Affairs in terms that Scheme of Amalgamation is not prejudicial to interest of Shareholders of the Petitioner-Transferee Company and public at large and since the Petitioner-Transferee Company has undertaken to comply with all the statutory requirements and formalities, this court is of the opinion that Scheme of Amalgamation is fair and reasonable and therefore, deserves to be sanctioned.

19. Accordingly, the Company Petition is allowed. The Scheme of Amalgamation between the Transferor Company-Cheslind





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Textiles Limited and the Transferee Company-RSWM Limited and their respective shareholders and Creditors, is hereby sanctioned. The Scheme of Amalgamation shall form part of this order.

20. The order be drawn up in Form 42 in terms of Rule 84 of the Company (Court) Rules, 1959.

21. The Petitioner-Transferee Company shall file certified copy of the order with the Registrar of Companies within a period of 30 days from the date of receipt of the same.

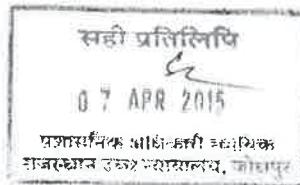
22. It may be clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges if any, payable in accordance with any law or permission/ compliance with any other requirement which may be specifically required under any law.

23. Any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary.

24. The Petitioner-Transferee Company shall pay costs quantified at Rs.10,000/- to the Regional Director, North Western Region, within a period of four weeks from the date of receipt of certified copy of this order.

Sd/-  
(SANGEET LODHA), J.

Chaitanya



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For RSWM Limited

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