

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT-III**

**C.A. (CAA) No. 1076 of 2020**

In the matter of Companies Act, 2013 (18 of 2013) and Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Merger by Absorption of KRKUMAR INDUSTRIES LIMITED, the Transferor Company by RRIL LIMITED, the Transferee Company and their respective shareholders.

**KRKUMAR INDUSTRIES LIMITED**

[CIN: U45203MH1987PLC042969]

... Applicant Company No. 1/  
Transferor Company

**RRIL LIMITED**

[CIN: L17121MH1991PLC257750]

... Applicant Company No. 2/  
Transferee Company

**Order delivered on 16.12.2020**

**Coram:**

Hon'ble Shri H. V. Subba Rao, Member (Judicial)

Hon'ble Shri Shyam Babu Gautam, Member (Technical)

**Appearance (through video conferencing):**

**For the Applicant:** Mr Ahmed M Chunawala, i/b Rajesh Shah & Co,  
Advocates

*Per Shri H. V. Subba Rao, Member (Judicial)*

**ORDER**

1. The Applicant Company state that the present Scheme is a Scheme of Merger by Absorption of KRKUMAR INDUSTRIES LIMITED,

the Transferor Company by RRIL LIMITED, the Transferee Company and their respective shareholders.

2. The Applicant Company further submit that the Board of Directors of the Applicant Companies in their respective meetings have approved the Scheme. The Appointed Date of the Scheme is 1<sup>st</sup> April, 2020.
3. That the convening and holding the meeting of the Equity Shareholders of the Applicant Company No.1 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Merger by Absorption of KRKUMAR INDUSTRIES LIMITED, the Transferor Company by RRIL LIMITED, the Transferor Company is dispensed with in view of the consent affidavits given by the seven Equity Shareholders of the Applicant Company No.1, which are annexed as 'Exhibit K-1 to K-7' to the Company Scheme Application
4. That the Applicant Company No.2 seeks to convene the meeting of the Equity Shareholders on 22.01.2021 at 12:00 p.m., for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Merger by Absorption of KRKUMAR INDUSTRIES LIMITED, the Transferor Company by RRIL LIMITED, the Transferee Company and its shareholders, through Video Conferencing (VC) or Other Audio Visual Means (OAVM) mode, as per applicable operating procedures mentioned in General Circular Nos.14/2020, 17/2020, 22/2020 and 33/2020 dated April 8, 2020, April 13, 2020, June 15, 2020 and 28<sup>th</sup> September, 2020 respectively, issued by Ministry of Corporate Affairs (the "MCA Circulars") including any statutory modification or re-enactment thereof for the time being in force and not in physical presence of shareholders in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing norms issued by Ministry of Corporate Affairs (the "MCA") in terms of the MCA Circular.
5. At least 30 clear days before the said meeting of the Equity Shareholders of all the Applicant Company No.2 to be held as aforesaid, a notice convening the said Meeting through VC/OAVM on day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent

under Section 230 of the Companies Act, 2013, shall be sent by email to each of the Equity Shareholders of all the Applicant Company No.2 at their respective registered e-mail address of the Equity Shareholders as per the records of the Applicant Company No.2. or can be obtained free of charge by emailing to the Applicant Company No. 2 at office@rrillimited.com. The Applicant Company No.2 shall publish the notice convening the meeting of Equity Shareholders in 'Business Standard' in English and 'Navshakti' in Marathi having wide circulation in the State in which the Registered office of the Company is situated.

6. The Applicant Company No.2 undertakes to:
  - i. issue notice convening meeting of the Equity Shareholders as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
  - ii. issue statement containing all the particulars as per Section 230 of the Companies Act, 2013;
  - iii. advertise the notice convening meeting as per Form No. CAA.2 (Rule 7) in at least one English newspaper and in at least one vernacular newspaper having wide circulation in the state in which the Registered office of the Company is situated or such newspaper and shall also be placed, not less than thirty days before the date fixed for meeting, on the website of the Company, of the SEBI and the recognized stock exchange where the Securities of the Company is listed the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
  - iv. Publish the Order and the Scheme on the website of the Applicant Company no. 2.
7. That Mr. Ratanchand D Jain shall be the Chairperson of the meeting of Equity Shareholders of the Applicant Company No.2 and failing him, Mr. Harsh Mehta shall be the alternate Chairperson of the said meeting. The Scrutinizer for the meeting of the Applicant Company No.2 shall be Mr. Shreyans Jain Proprietor of Shreyans Jain & Co., a Practicing Company Secretary having Membership Number: 8519.
8. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company No.2 shall issue the notices

of the meeting of the Equity Shareholders referred to above. The said Chairperson shall have all powers pursuant to Sections 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Companies (Management and Administration) Rules, 2014 and MCA Circulars to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).

9. The quorum for the aforesaid meeting of the Equity Shareholders of the Applicant Company No.2 shall be as prescribed under Section 103 of the Companies Act, 2013. However, if there is only one shareholder holding shares along with the nominee shareholder then the quorum will be one.
10. The voting by authorized representative in case of Body Corporate be permitted, provided that a certified copy of the Board Resolution authorising their representative to attend the meeting through VC/OAVM and participate there at and cast their votes through e-voting, is send to the Applicant Company No.2 on their email id office@rrillimited.com before the aforesaid Equity Shareholders meeting. The value and number of the shares of each member shall be in accordance with the books/ register of the Applicant Company No.2 or depository records and where the entries in the books / register / depository records are disputed, the Chairperson of the Meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
11. The Chairperson to file an affidavit not less than seven days before the date fixed for the holding of the meeting and do report this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
12. The Chairperson to report to this Tribunal, the result of the aforesaid meeting within ten (10) days of the conclusion of the meeting, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

13. That Counsel for the Applicant Company No.2 submits that since the Scheme is an arrangement between the Applicant Companies and their respective shareholders, only a meeting of the Equity Shareholders of Applicant Company No. 2 is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013.
14. That the counsel for the Applicant Company No. 1 submits that there are no Secured Creditors in the Applicant Company No. 1 mentioned in Para 23 of the Application.
15. That Counsel for the Applicant Company No. 2 submits that there is 1 (One) Secured Creditor of the value of Rs. 39,14,712/- as on 30<sup>th</sup> June, 2020. The Counsel for the Applicant Company No. 2 submits that convening and holding meeting of Secured Creditors of the Applicant Company No. 2 is not required since the present Scheme is an arrangement between the Applicant Companies and their respective shareholders in accordance with the provisions of the Companies Act, 2013. This bench hereby directs the Applicant Company No.2 to issue notice to its Secured Creditors as required under section 230 (3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company No.2.
16. That the Counsel for the Applicant Company No. 1 submits that there 3 (Three) Unsecured Creditors of the value of Rs. 72,55,00,000/- as on 30<sup>th</sup> June, 2020. That Counsel for the Applicant Company No. 1 submits that so far as Unsecured Creditors of the Applicant Company No. 1 are concerned most of them are in the nature of loan/sundry/trade creditors for activities of the Applicant Company No. 1 and the scheme of arrangement does not envisage any compromise or arrangement with the Unsecured Creditors of the Applicant Company No. 1 and hence they will in no way be affected by the Scheme of Arrangement. It is further submitted that the Applicant Company No.1 is meeting the amounts payable to its creditors from its activities and upon the Scheme becoming effective, the Applicant Company No. 2 shall continue with its existence and shall accordingly continue to meet the liabilities of its unsecured creditors as they arise in the normal course. Hence, this bench hereby directs the Applicant Company

No.1 to issue notice to its Unsecured Creditors as required under section 230 (3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company No.1.

17. That Counsel for the Applicant Company No. 2 submits that there are 8 (Eight) Unsecured Creditors of the value of Rs. 59,66,567/- as on 30<sup>th</sup> June, 2020. That Counsel for the Applicant Company No. 2 submits that so far as Unsecured Creditors of the Applicant Company No. 2 are concerned most of them are in the nature of loan/sundry/trade creditors for activities of the Applicant Company No. 2 and the scheme of arrangement does not envisage any compromise or arrangement with the Unsecured Creditors of the Applicant Company No. 2 and hence they will in no way be affected by the Scheme of Arrangement. It is further submitted that the Applicant Company No.2 is meeting the amounts payable to its creditors from its activities and upon the Scheme becoming effective, the Applicant Company No. 2 shall continue with its existence and shall accordingly continue to meet the liabilities of its unsecured creditors as they arise in the normal course. Hence, this bench hereby directs the Applicant Company No.2 to issue notice to its Unsecured Creditors as required under section 230 (3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company No.2.
18. The Applicant Companies to serve the notice upon the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai Maharashtra, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice it will be presumed that Regional Director and/or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
19. The Applicant Companies to serve the notice upon the Registrar of Companies, Mumbai, pursuant to Section 230(5) of the Companies

Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, If no response is received by the Tribunal from the Registrar of Companies within 30 days of the date of receipt of the notice it will be presumed that Registrar of Companies has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules. 2016.

20. The Transferor Company is also directed to serve intimations of the Scheme upon Official Liquidator, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no representation/ response is received by the Tribunal from Official Liquidator, Bombay within a period of thirty days from the date of receipt of such notice, it will be presumed that Official Liquidator has no representation/ objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
21. The Applicant Companies to serve the notice on the concerned Income Tax Authority (with PAN number) within whose jurisdiction the Applicant Companies' assessments are made, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the Income Tax Authority within 30 days of the date of receipt of the notice it will be presumed that Income Tax Authority has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
22. The Applicant Companies to serve the notice upon the BSE Limited pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in Applicant Company No. 2. If no response is received by the Tribunal from the BSE Limited within 30 days of the date of receipt of the notice it will be presumed that BSE Limited has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

23. The Applicant Companies to serve the notice upon the Securities and Exchange Board of India (SEBI) pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in Applicant Company No. 2. If no response is received by the Tribunal from the Securities and Exchange Board of India (SEBI) within 30 days of the date of receipt of the notice it will be presumed that SEBI has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
24. The Applicant Companies to serve the notice upon the concerned GST Authority, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in Applicant Company No. 2. If no response is received by the Tribunal from the concerned GST Authority within 30 days of the date of receipt of the notice it will be presumed that SEBI has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
25. The Applicant Companies to file an affidavit of service within 10 working days after serving to notice to all the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.
26. The Appointed Date is 1<sup>st</sup> April, 2020

Sd/-  
**SHYAM BABU GAUTAM**  
**MEMBER (TECHNICAL)**

Sd/-  
**H. V. SUBBA RAO**  
**MEMBER (JUDICIAL)**