

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH, AT MUMBAI**

**COMPANY SCHEME PETITION NO.121 OF 2017**

**CONNECTED WITH**

**COMPANY SUMMONS FOR DIRECTIONS NO. 1025 OF 2016**

**(HIGH COURT TRANSFERRED APPLICATION)**

Adi Aromatic Limited

...Petitioner Company

**AND**

**COMPANY SCHEME PETITION NO. 122 OF 2017**

**CONNECTED WITH**

**COMPANY SUMMONS FOR DIRECTIONS NO. 1023 OF 2016**

**(HIGH COURT TRANSFERRED APPLICATION)**

Privi Organics Limited,

.....Petitioner Company

**AND**

**COMPANY SCHEME PETITION NO. 123 OF 2017**

**CONNECTED WITH**

**COMPANY SUMMONS FOR DIRECTIONS NO. 1024 OF 2016**

**(HIGH COURT TRANSFERRED APPLICATION)**

Fairchem Speciality Limited (Erstwhile

known as Adi Finechem Limited),

...Petitioner Company

In the matter of Companies Act, 2013;

**AND**

In the matter of Sections 230 to 232 read with  
Rule 15(1) of Companies (Compromises,  
Arrangements and Amalgamations) Rules,  
2016 and read with Sections 66 and Section  
52 of the Companies Act, 2013 and other  
applicable provisions 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

In the matter of Scheme of Arrangement between Privi Organics Limited, ("Demerged Company") AND Fairchem Speciality Limited (Erstwhile known as Adi Finechem Limited), ("1<sup>st</sup> Resulting Company") AND Adi Aromatic Limited, ("2<sup>nd</sup> Resulting Company") AND Their respective shareholders and creditors

**Called for Hearing**

Mr. Hemant Sethi i/b. Hemant Sethi & Co., Advocates for the Petitioner Company

Mr. S. Ramakantha, Joint Director for the Regional Director.

**CORAM: B.S.V. Prakash Kumar, Member (Judicial)**

**V. Nallasenapathy, Member (Technical)**

**DATE: 22<sup>nd</sup> February, 2017**

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 Petitions.
2. The sanction of the Tribunal is sought under Sections 391 to 394 read with 100 to 103 of the Companies Act 1956 and Sections 230 to 232 read with Rule 15(1) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and read with Sections 66 and Section 52 of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013, to a Scheme of Arrangement between Privi

Organics Limited, ("Demerged Company"), Fairchem Speciality Limited (Erstwhile known as Adi Finechem Limited), ("1<sup>st</sup> Resulting Company"), Adi Aromatic Limited, ("2<sup>nd</sup> Resulting Company") and their respective shareholders and creditors.

3. The Learned Counsel for the Petitioners state that the Demerged Company is engaged in the businesses of (i) identifying, developing, manufacturing, supplying and exporting of organic chemicals (primarily aroma chemicals) and processing of crude sulphated turpentine to obtain raw materials mainly used for manufacturing of aroma chemicals; (ii) research and development in relation to the activities referred to in (i); and (iii) trading in organic chemicals as referred to in (i) above. The Demerged Company is also engaged in the business of trading in certain inorganic chemicals. The 1<sup>st</sup> Resulting Company is engaged in the business of manufacturing, supplying and exporting of specialty oleochemicals (natural source) and nutraceuticals (natural source) made from the by-products generated from processing of crude vegetable oils. The 1<sup>st</sup> Resulting Company has developed technical expertise in processing by products or waste products of vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils. The 2<sup>nd</sup> Resulting Company is proposed to be engaged in business of manufacturing, importing, exporting, trading and supplying of all kinds, types and varieties of chemicals.
4. The proposed Scheme will explicitly result in the following advantages:  
Provide wider research and development access; Wider range of applications and scope for growth; Long term value unlocking of businesses *inter alia* due to global reach; Stability and enhancement in earnings and cash flow; Operational effectiveness and cost optimization; Mitigation of risk due to presence of two diverse businesses; and

Stronger balance sheet resulting in: (i) improved allocation of capital; and  
(ii) broader access to capital markets.

5. Learned Counsel for the Petitioners further states that the Board of Directors of the Petitioner Companies have approved the said Scheme of Arrangement by passing Resolutions which are annexed to the respective Company Scheme Petitions.
6. Learned Counsel for the Petitioners further states the petition has been filed in consonance with the order passed in their Company Summons for Direction No. 1025 of 2016, 1023 of 2016 and 1024 of 2016 of Hon'ble Bombay High Court.
7. The Learned Counsel for the Petitioner further states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Bombay High Court and Hon'ble NCLT, Mumbai Bench and they have filed necessary affidavits of compliance with the Hon'ble NCLT, Mumbai Bench. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
8. The Regional Director has filed his report dated 9<sup>th</sup> February 2017 and has stated that save and except as stated in Paragraph IV (a) and (b) of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph IV of the said report, the Regional Director has stated that:-

- (a) *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 any not deter the Income Tax*

*Authority to scrutinize the tax return filed by the demerged / resulting Company after giving effect to the scheme. The decision of the Income tax Authority is binding on the petitioner Company.*

*(b) Even though FSL and POL have per say no relationship between themselves except that one of the promoters of FSL i.e. FIH Mauritius Investments Limited., had recently acquired a majority stake in POL and now for the reason outlined in the scheme, the management of FSL wishes to add the Aroma Chemical business of POL in AAL. The FEMA Regulations/ RBI Guidelines if any applicable is to be complied with by the Transferor / Transferee Company.*

9. As far as the observations made in in paragraph IV (a) of the Report of Regional Director is concerned, the Petitioners Companies submits that the Petitioner Companies undertakes to comply with all applicable provisions of the Income Tax Act and all tax implications, if any, arising out of the Scheme will be subject to the decision of the Income Tax Authority.
10. As far as the observation in paragraph IV (b) of the report of Regional Director is concerned, the learned Counsel for the Petitioner Companies submits that the Petitioner Companies undertakes to comply with all FEMA Regulations/ RBI Guidelines, to the extent applicable in this regard.
11. Mr. S. Ramakantha, Joint Director in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai for Regional Director states that they are satisfied with the undertakings of the Petitioner Companies. The said undertakings given by the Petitioner Companies are 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 No. 121, 122 and 123 of 2017 are made absolute in terms of prayers clause (a) of the respective petitions.
14. The Petitioner Companies are directed to file a certified / authenticated copy of this order and the scheme with the concerned Superintendent of Stamps, within 60 days from the date of the receipt of Order, for the purpose of adjudication of stamp duty payable, if any, on the same.
15. The Petitioner Companies are directed to file a certified / authenticated copy of order and the scheme 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, 2013.
16. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. 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 certified by the Registrar, National Company Law Tribunal, Mumbai Bench.

Sd/-

**B.S.V. Prakash Kumār, Member (Judicial)**

Sd/-

**V. Nallasenapathy, Member (Technical)**