

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CSA 1043/230-232/NCLT/MB/MAH/ 2017

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013;

AND

In the matter of the Scheme of Merger by Absorption of House Full International Limited (the Transferor Company 1) and N Kumar Diamond Exports Limited (the Transferor Company 2) with Renaissance Jewellery Limited (the Transferee Company) and their respective shareholders.

Renaissance Jewellery Limited,
(a Company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. 36A & 37 SEEPZ, Andheri (East), Mumbai – 400 096)

....Applicant Company

Order on 19th January, 2018

Coram:

Hon'ble M. K. Shrawat, Member (J)

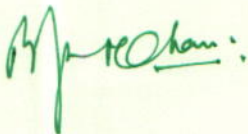
Hon'ble Bhaskara Pantula Mohan, Member (J)

For the Petitioner(s):

Mr. Nitin Gutka, Practising Chartered Accountants, for the Applicant Company.

Per: *Bhaskara Pantula Mohan, Member (J)*

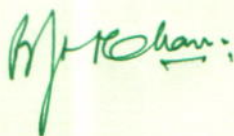
1. The Counsel for the Applicant Company states that the proposed Scheme is Scheme of Merger by Absorption (hereinafter referred to as "Scheme of Merger" of House Full International Limited, the Transferor Company 1 and N Kumar Diamond Exports Limited, the Transferor Company 2 with Renaissance Jewellery Limited, the Transferee Company and their respective shareholders.



2. The Counsel for the Applicant Company further submits that the Applicant Company is presently engaged in business of manufacturing and export of diamond studded gold, silver and platinum Jewellery and also trading in cut & polished diamonds.
3. The circumstances that have necessitated or justified the Scheme of Merger are inter alia summarised as under:
 - a) The Transferor Companies are directly or indirectly wholly-owned subsidiaries of the Transferee Company. In order to consolidate and effectively manage the Transferor Companies and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor Companies be merged with Transferee Company.
 - b) The merger will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.
 - c) The merger will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the ever growing competition.
 - d) The merger will result in economy of scales, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs.
 - e) The merger will result in a reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Companies and the Transferee Company.
 - f) The merger would motivate employees of the Transferor Companies by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide impetus to better corporate performance ultimately enhancing overall shareholder value.

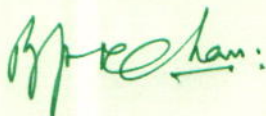
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- g) The Transferor Companies and Transferee Company intend to/can achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams.
 - h) Integration of operations;
 - i) economies of scale.
 - j) The merger will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the ever-growing competition.
4. That the meeting of the Equity Shareholders of the Applicant Company, be convened and held at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikhroli Link Road, Andheri (East), Mumbai-400 093 on Tuesday, 27th February, 2018 at 12.30 P.M for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Merger of House Full International Limited, the Transferor Company 1 and N Kumar Diamond Exports Limited, the Transferor Company 2 with Renaissance Jewellery Limited, the Transferee Company and their respective shareholders.
5. That at least one month before the said the meeting of Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting, at the place, day, date and time aforesaid, together with a copy of the Scheme, a copy of the statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14th December, 2016 and the prescribed Form of Proxy, shall be sent by Registered Post or by courier or by speed post or by hand delivery or through email, (to those Equity Shareholders whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices be email), addressed to each of the Equity Shareholders of the Applicant Company, at their respective registered or last known addresses or e-mail addresses as per the records of the Applicant Company.
6. That at least not less than 30 days before the said meeting of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting, indicating the place, day, date and time of the meeting as aforesaid be published and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises,



Arrangements and Amalgamations) Rules, 2016 and the form of Proxy can be obtained free of charge at the Registered Office of the Applicant Company as aforesaid shall be published once each in two local newspapers, viz, "The Free Press Journal" in English and translation thereof in "Navshakti" in Marathi language both having circulation in Mumbai.

7. The Applicant Company 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. Issue Form of Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and.
 - iv. Advertise the notice convening meeting as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; The undertaking is accepted.
8. That Mr. Niranjan A. Shah, Executive Chairman of the Applicant Company, failing him Mr. Sumit N. Shah, Vice Chairman of the Applicant Company, failing him Mr. Hitesh M. Shah, Managing Director shall be the Chairman for the aforesaid meeting of the Equity Shareholders.
9. That Scrutinizer for the aforesaid meeting of Equity Shareholders shall be M/s. V.V. Chakradeo & Co, Practicing Company Secretary (C.O.P No 1705).
10. That the quorum for the aforesaid meeting of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
11. That the Chairman appointed for the aforesaid meeting to issue the advertisement and send out notices of the Meeting referred to above. The said Chairman shall have all powers as per the Articles of Association of the Applicant Company and also under the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting, 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).
12. That voting by proxy or authorised representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorisation duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at its Registered office situated at Plot No 36A &



37 SEEPZ, Andheri (East), Mumbai 400 096, not later than, 48 hours before the aforesaid meeting as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

13. That the value and number of the shares of each member shall be in accordance with the books/ register of the Applicant Company or depository records and where the entries in the books/register/depository records are disputed, the Chairman of the Meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
14. That the Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meeting and do report to Tribunal that the direction regarding the issue of the notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
15. That the Chairman to report to this Tribunal, the result of the aforesaid meeting within thirty days of the conclusion of the meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
16. That the Counsel for the Applicant Company submits that since the scheme is a Merger of the Transferor Companies with the Applicant Company and their respective shareholders only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230 (1) (b) of the Companies Act, 2013. This bench hereby directs the Applicant Company 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.
17. That the Counsel for the Applicant Company submits that since the scheme is a Merger of the Transferor Companies with the Applicant Company and their respective shareholders only a meetings of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230 (1) (b) of the Companies Act, 2013. This bench hereby directs the Applicant Company to issue notice to its Unsecured Creditors having balance of Rs. 5,00,001/- and above representing 98.93% of total value of 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.
18. The Applicant 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 and as per Rule 8 of the

Apurva Shah:

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the aforesaid authorities within thirty days from 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 to serve the notice upon the Concerned Registrar of Companies, 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 response is received by the Tribunal from the aforesaid authorities within thirty days from 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 Applicant to serve the notice upon BSE Limited (BSE), 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 response is received by the Tribunal from the aforesaid authorities within thirty days from the date of receipt of the notice it will be presumed that BSE Limited (BSE) has no objection to the Proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
21. The Applicant to serve the notice upon National Stock Exchange of Limited (NSE), 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 response is received by the Tribunal from the aforesaid authorities within thirty days from the date of receipt of the notice it will be presumed that National Stock Exchange of Limited (NSE) has no objection to the Proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
22. The Applicant having PAN-AACCR2148B to serve the notice on the concerned Income Tax Authority, Circle 11(1)(1), Aaykar Bhavan, 2nd Floor, Maharishi Karve Road, Mumbai 400 020, within whose jurisdiction the Applicant Company's assessment 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 Income Tax Authority within 30 days of the receipt of the notice it will be presumed that Income Tax Authority has no objection to Proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

Apreshan:

23. The Applicant Company to file affidavit of service in the Registry proving dispatch of notices upon Secured Creditors and Unsecured Creditors and notices to Regulatory authorities as stated in clause 16 to 22 above.

Sd/-

Bhaskara Pantula Mohan
Member (J)

Sd/-

M. K. Shrawat
Member (J)

19th January, 2018