

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

CSA NO 1083 OF 2017

In the matter of the Companies Act, 2013;

AND

In the matter of Section 230 to Section 232 and other
applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between Polysil
Irrigation Systems Private Limited ('PISPL' or 'the
Demerged Company') and Tufropes Private Limited
('TPL' or 'the Resulting Company') and their respective
shareholders

Polysil Irrigation Systems Private Limited, a company }
incorporated under the provisions of }
Companies Act, 1956 having its registered office at }
25, Maker Chambers III, Nariman Point, }
Mumbai – 400021, Maharashtra, India }.....Applicant Company

Order delivered on 11th January, 2018

Coram:

Hon'ble **B.S.V. Prakash Kumar**, Member (J)

Hon'ble **V. Nallasenapathy**, Member (T)

For the Applicant(s): Mr. Hemant Sethi i/b Hemant Sethi & Co. Advocates for Applicants

Per: **V. Nallasenapathy, Member (T)**

ORDER

1. The Counsel for the Applicant Company states that the present Scheme is a Scheme of Arrangement between Polysil Irrigation Systems Private Limited ("the Demerged

- Company”) and Tufropes Private Limited (“the Resulting Company” or “the Applicant Company”) and their respective shareholders.
2. The Counsel for the Applicant Company further submit that the Demerged Company is a manufacturer of HDPE pipes, Drip Irrigation Systems and Sprinkler System and registered MIS Supplier for Drip Irrigation System in the State of Gujarat and Maharashtra under the Micro Irrigation Scheme.
 3. The Counsel for the Applicant Company further submit that the rationale for the Scheme is that it would lead to:
 - (i) Dedicated management focus for each business;
 - (ii) Achieve synergies between Demerged Undertaking and the Resulting Company in their business so as to maximise potential and derive maximum value from the business of the Resulting Company;
 - (iii) Expedite the growth of each of the businesses;
 - (iv) Access to various funding options for rapid growth for each of the Businesses; and
 - (v) Enhance the portfolio of products and services presently being provided by the Resulting Company.
 4. That the meeting of the Equity Shareholders of the Applicant Company be convened and held at 25, Maker Chambers III, Nariman Point, Mumbai – 400021, Maharashtra, India on Tuesday, 20th day of February, 2018 at 11.00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Arrangement between Polysil Irrigation Systems Private Limited and Tufropes Private Limited and their respective Shareholders.
 5. That at least one month before the said Meeting of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting at the place, date and time as aforesaid, together with a copy of the Scheme, a copy of 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) Rule, 2016 notified on 14th December 2016 and the prescribed Form of Proxy, shall be sent by Courier / Registered Post / Hand Delivery / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the Applicant Company for the purpose of

receiving such notices by email), addressed to each of the Equity Shareholders of the Applicant Company, at their last known address or email addresses as per the records of the Applicant Company.

6. That at least one month before the meetings of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting, indicating the place, date and time of 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) Rule, 2016 and the Form of Proxy can be obtained free of charge at the Registered Office of the Applicant Companies as aforesaid and / or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.
7. That the Notice of the Meeting shall be advertised in two local newspapers viz. “Free Press Journal” in English and “Navshakti” in Marathi both circulated in Mumbai not less than 30 days before the date fixed for the meeting.
8. That Mr. Arun Goel, Director of the Applicant Company and failing him, Mr. Madhav Goel, Director of the Applicant Company and failing him Mr. Sanjay Agarwal, Authorised Representative of the Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Applicant Company to be held at 25, Maker Chambers III, Nariman Point, Mumbai – 400021, Maharashtra, India on Tuesday, 20th day of February, 2018 at 11.00 a.m. or any adjournment or adjournments thereof.
9. That the Chairman appointed for the aforesaid Meeting to issue the advertisement and send out the notices of the Meeting referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act 2013 in relation to the conduct of the meetings, 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).

10. That the quorum of the aforesaid meetings of the Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
11. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorization duly signed by the person entitled to attend and vote at the meetings, are filed with the Applicant and at their Registered Office at 25, Maker Chambers III, Nariman Point, Mumbai – 400021, Maharashtra, India, not later than 48 hours before the aforesaid meeting.
12. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books/register of the Applicant Company and where the entries in the books/register are disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
13. That Samir Gajjar & Co., Practicing Chartered Accountant is hereby appointed as Scrutinizer of the meeting of the Equity shareholders of the Applicant Company to be held on Tuesday, 20th day of February, 2018 at 25, Maker Chambers III, Nariman Point, Mumbai – 400021, Maharashtra, India and his remuneration is fixed as Rs. 10,000/- per meeting excluding taxes.
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 this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.
15. That the Chairman of the meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meeting.
16. That the Applicant Company is directed to serve notices along with copy of scheme upon:- (i) concerned Income Tax Authority within whose jurisdiction the Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

17. That Counsel for the Applicant Company submits that since the Scheme is an Arrangement between Polysil Irrigation Systems Private Limited and Tufropes Private Limited 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 all its Secured Creditors as on 30th September, 2017, 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. That Counsel for the Applicant Company submits that since the Scheme is an Arrangement between Polysil Irrigation Systems Private Limited and Tufropes Private Limited 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 Unsecured Creditors having outstanding balance of Rs. 50,000 and above as on 30th September, 2017 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.
19. The Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the Equity Shareholders, Creditors, publication of notices in newspapers and to the regulatory authorities as stated in clauses 16, 17 and 18 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)

Date: 11.1.2018