

SURAT TEXTILE MILLS LIMITED

Date: 14th September, 2022.

The Corporate Relationship Department,
BSE Limited,
First Floor, New Trading Wing,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001
Scrip Code: 530185

Sub.: Announcement under Regulation 30 - submission of Hon'ble NCLT Order for approving the Scheme of Amalgamation of Vareli Trading Company Limited (Transferor Company) with Surat Textile Mills Limited (Transferee Company)

Sir/Madam,

This is to inform you that Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench had vide its order dated 7th September, 2022 (Ref.: CP (CAA) No. 61 / AHM / 2021 in CA (CAA) No. 58 / AHM / 2021), under Sections 230-232 and read with Section 66 of the Companies Act, 2013 and other applicable provisions of the companies Act, 2013 read with the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 has approved the Scheme of Amalgamation of Vareli Trading Company Limited with Surat Textile Mills Limited and their respective shareholders and creditors.

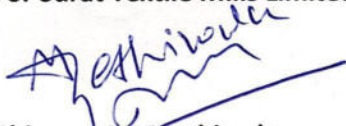
A copy of the downloaded version of the said order as placed on 13/09/2022 on the website of Hon'ble NCLT Ahmedabad Bench is attached herewith for your information and records. Further, a certified true copy of the order as soon as received from the office of Registrar of NCLT Ahmedabad Bench, will be filed with your exchange immediately.

We would like to bring to your notice that the Company would be filing / intimating the said order with the Registrar of Companies, Gujarat ('ROC') in Form INC-28 within 30 days of the said order.

We would keep the investors and exchange informed of the same. This is for your information and records.

Thanking you,

Yours faithfully,
For Surat Textile Mills Limited



Chinmay M. Methiwala
Company Secretary and Compliance Officer

Encl.: As above.



Regd. Office : Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat - 395 010.

Phone : (0261) 2311197-98, 2311513 Fax : (0261) 2311029/502

CIN : L17119GJ1945PLC000214 | Website : www.surattextilemillsLtd.com

IN THE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD (COURT No. II)

CP (CAA) NO. 61 / AHM / 2021

In

CA (CAA) NO. 58 / AHM / 2021

[Sections 230-232 and read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**In the matter of Scheme of Amalgamation
OF**

**VARELI TRADING COMPANY LIMITED
(PETITIONER TRANSFEROR COMPANY)**

With

**SURAT TEXTILE MILLS LIMITED
(PETITIONER TRANSFEREE COMPANY)**

And

Their Respective Shareholders and Creditors

Order Pronounced on: 07/09/2022

CORAM:

**DR. DEEPTI MUKESH,
HON'BLE (MEMBER (JUDICIAL))**

**AJAI DAS MEHROTRA,
HON'BLE MEMBER (TECHNICAL)**

MEMO OF PARTIES

Vareli Trading Company Limited

(CIN:U65910GJ1987PLC009405), a public limited

A company incorporated under the Companies

Act, 1956 having its registered office at Dr

Amichand Shah Wadi, Rampura Tunki, Surat –

395003, Gujarat, India.

...PETITIONER TRANSFEROR COMPANY

AND

Surat Textile Mills Limited

(CIN: L17119GJ1945PLC000214) a public limited

A company incorporated under the Companies

Act, 1913, having its registered office at Tulsi

Krupa Arcade, 6th Floor, Near Aai Mata Chowk

Puna-Kumbharia Road, Dumbhal,

Surat –395010, Gujarat, India.

..PETITIONER TRANSFEREE COMPANY

Appearance:

Petitioner: Ms. Dharmishta Raval

Regional Director: Mr. Sanjeev Kumar Jain, Asst. Director

ORDER

1. This joint Company Petition is filed under section 230-232 of the Companies Act, 2013 (for brevity **the Act**) read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for sanctioning the Scheme of Amalgamation of Vareli Trading Company Limited (hereinafter referred to as **Transferor Company**) into Surat Textile Mills Limited (hereinafter referred to as **Transferee Company**) and their respective shareholders and creditors. As per the Scheme of Amalgamation, all undertakings of the Transferor Company shall be transferred to the Transferee Company, along with entire assets and liabilities pertaining to the business segments of the Transferor Company with effect from the date of approval of the Scheme.

2. From the records, it is seen that the first motion seeking directions for dispensing of the meeting of the Equity Shareholders, Unsecured and Secured Creditors of the Petitioner Transferor Company and also seeking directions for holding the meeting of Equity shareholders of the Petitioner Transferee Company and dispensing the meeting of Unsecured and Secured Creditors of the Petitioner Transferee was allowed vide order dated 16.08.2021, which also directed to the issuance

of notices to Regulatory Authorities. The Petitioner Companies filed an affidavit of service of notice to the Statutory Authorities. The Chairman has filed his report with the scrutinizer's report by way of an affidavit.

3. The Petitioner Companies have filed 2nd motion joint petition within the time prescribed. Vide order dated 15.11.2021, the 2nd motion petition was admitted with directions for publication of notice in the newspaper **“Free Press” Surat Edition in English** and **“Lok-Mitra” Gujarati Edition**. This Tribunal also directed to issue notices to the concerned Regulatory Authorities. Both Petitioner Companies have filed an affidavit regarding the paper publication and proof of service of notices.

4. The Regional Director, North Western Region, MCA and RoC, Ahmedabad have filed a common report with the following directions:
 - i. To comply with Section 232(3)(i) of the Act and pay fees accordingly.
 - ii. To give justification regarding the gap between the appointed date and the date of filing of an application which is beyond one year.

- iii. To comply with SEBI circulars and BSE directions as Transferee Company is a listed Company.
- iv. To comply with FEMA and RBI Guidelines from time to time.
- v. To pay such amount of legal costs/fees to the Central Government.

5. The Transferee Company has filed an affidavit in response to the common report submitted by the Regional Director with ROC and has given the following explanations and undertakings:-

- i. To comply with the provisions of section 232 (3) (i) of the Companies Act, 2013 and pay fees accordingly.
- ii. That the appointed date is ante-dated beyond a year due to a delay in filing of the application. There was delay in submission of valuation report and response from SEBI and BSE. The letter was received only in February 2021 and application was filed on 28.06.2021. Further, there was severe COVID - 19 pandemic situation in Surat . It further submitted that this Tribunal may take this explanation as justification for delay in filing application considering the appointed date of the Scheme as 1st April, 2019. In this regard separate affidavits are

filed by both the Petitioner Companies submitting that they has no objection to the change of “appointed date” from 1st April, 2019 to 1st April, 2021 and is agreeable to the said change. Accordingly, in clause 1.2 of the Scheme of Arrangement, the figure “2019” be kindly replaced with the figure “2021”.

- iii. That all compliances and requirements as envisaged by the SEBI are completed. Further submitted that the BSE, vide letter dated 03.02.2021, has not given any adverse observation with respect to the Scheme.
- iv. To comply with the necessary FEMA and RBI Guidelines from time to time.
- v. To pay such amount of legal fees/cost to the Central Government which is found appropriate by this Hon’ble Tribunal.

6. The Official Liquidator has filed its report regarding the Transferor Company wherein no adverse observation was made.

7. The Income Tax Department filed its Reports stating that there are outstanding dues in relation to Transferee Company and no outstanding dues in relation to Transferor Company. The Transferee Company has availed the benefits of Vivad Se Vishwas Scheme (VSVS) though some dispute regarding final determination of demand under VSVS is pending in writ petition before the Hon'ble Gujarat High Court, against the Form 3 issued.

8. During the course of the hearing, as recorded in the order dated 14.07.2022, the Assistant Director from the Regional Director office stated he has no objection if the said scheme is approved by this Tribunal and all their observations stand satisfied.

9. The Petitioner Companies have placed on record the Valuation Report and respective audited financial statements as of 31.03.2020 and unaudited financial statements as of 30.12.2020.

10. The certified copies of respective Board Resolutions of both the Petitioners Companies approving the Scheme of Amalgamation are annexed. An affidavit is filed by Shri Alok Praful Shah, being authorized representative of the Transferor Company and Shri Yogesh

Champklal Papariya, being authorized representative of the Transferee Company.

11. It is submitted by both Petitioner Companies that no investigation proceedings are pending against the petitioner companies under Sections 235-251 of the Companies Act, 1956 or 206 - 299 of the Companies Act, 2013. Also, no winding-up proceedings are pending against the Petitioner Companies.

12. In compliance with the proviso to sub-section (7) of Section 230 of the Companies Act, 2013, both the petitioner companies have placed on record the certificates of the respective statutory auditors confirming that the proposed Scheme of Amalgamation is in compliance with the applicable accounting standards as per Section 133 of the Companies Act, 2013. The schedule of property of the Transferor Company is also placed on record.

13. Heard submissions and perused documents placed on record.

It appears that the requirements of the provisions of Sections 230 and 232 of the Companies Act, 2013 are satisfied. The

Scheme appears to be genuine and bona fide and in the interest of the shareholders.

14. As a result, the petition is allowed. The Scheme of Amalgamation is hereby sanctioned which is annexed with this order at **Annexure -A** and it is declared that the same shall be binding on both the Petitioner Companies and their respective Shareholders and Creditors and all concerned under the Scheme.

15. Notwithstanding the above, if there is any deficiency found or, the violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the scheme will not come in the way of action being taken, albeit, in accordance with the law, against the concerned persons, directors and officials of the Petitioners.

16. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any manner granting exemption from payment of stamp duty, or taxes including income tax, GST etc., any other charges or payment in accordance with the law, or any kind of waiver in respect of any permission/compliance with any other requirement which may be specifically required under any law.

17. The details submitted and meetings held, which were based on appointed date being 01.04.2019, the NOC of the petitioner companies for change in appointed date to 01.04.2021 is not considered. The justification by the petitioner companies regarding belated application is found reasonable and appointed date is accepted as 01.04.2019.

18. The Scheme is sanctioned with the following directions:

- i. Transferor Company to stand dissolved without any act of winding up. The Transferor Company shall, together with all its properties, rights and powers be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 232 of the Act, stand transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company.
- ii. All contracts, agreements, bonds, licenses, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status, other benefits or privileges relating to the Transferor Company shall stand transferred to and vest in the Transferee Company, without any further act or deed. The Transferee Company shall be bound by the

terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

- iii. All the liabilities (including tax payable or refundable) and duties of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
- iv. All proceedings by or against the Transferor Company in respect of the Transferor Company shall be continued by or against the Transferee Company.
- v. All employees in the service of the Transferor Company shall be deemed to have become the employees of the Transferee Company on date on which the scheme finally takes effect on the basis that their services shall be deemed to have been continuous and not having been interrupted by reasons of the said transfer and on term and conditions no less favourable than those on which they were/are engaged, as on the Effective Date.

- vi. As per the Scheme, the Transferee Company shall, without any further application, issue and allot to the Equity Shareholders of the Transferor Company 1 equity shares of face value Rs. 1 each credited as fully paid –up of Transferee Company in the ratio of 521 equity shares of the face value of Rs. 1 each of Transferee Company for every 1 equity share of Rs. 10/- of Transferor Company credited as fully paid –up held on Record date by the such equity shareholders of the Transferor company.
- vii. The Petitioner Companies are directed to lodge a copy of this Order and **Annexure –A** the approved Scheme duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for adjudication of stamp duty, and pay requisite stamp duty payable, if any, within 60 days from the date of this Order.
- viii. The legal and expenditure fees for the office of the Official Liquidator are quantified at Rs. 10,000/- and the fees of the Regional Director are quantified at Rs. 10,000/ -. The said fees to the Official Liquidator and Regional Director shall be paid by the Transferee Company.

- ix. Any person aggrieved by this order shall be at liberty to apply to this Tribunal for any directions that may be necessary.

19. Petition is allowed and disposed of, in terms of the above order.

S/d-

AJAI DAS MEHROTRA
MEMBER (TECHNICAL)

S/d-

DR.DEEPTI MUKESH
MEMBER (JUDICIAL)

RAHUL/LRA