



RUPA & COMPANY LIMITED



Date: 28/07/2021

To,

The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: RUPA

The Department of Corporate Services
BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code: 533552

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") w.r.t. the Scheme of Arrangement between Oban Fashions Private Limited, Wholly-owned Subsidiary of Rupa & Company Limited, ("the Demerged Company") and Rupa & Company Limited ("the Resulting Company" or "the Company")

Respected Sir/ Madam,

In furtherance to our earlier letters dated December 9, 2020 and December 24, 2020, we would like to inform that the petition for approval of the Scheme of Arrangement between Oban Fashions Private Limited ("Demerged Company") and Rupa & Company Limited ("Resulting Company") and their respective shareholders and creditors was heard by the Hon'ble National Company Law Tribunal ("NCLT"/"Bench"), Kolkata on July 9, 2021. The Hon'ble Bench, *vide* its order dated July 26, 2021 (uploaded on NCLT's website on July 27, 2021) has sanctioned the said Scheme of Arrangement, with effect from the Appointed date, i.e April 1, 2021. Copy of the said order, as downloaded from the NCLT's website, is annexed herewith.

Further, given that the registered office of the Demerged Company is in Mumbai, within the jurisdiction of Hon'ble NCLT, Mumbai, a separate petition for approval of the Scheme of Arrangement was filed by the Demerged Company before Hon'ble NCLT, Mumbai. The same is pending for hearing before the Hon'ble Mumbai Bench.

This is for your information and record please.

Thanking you.

Yours faithfully,

For Rupa & Company Limited

Kundan Kumar Jha
Company Secretary & Compliance Officer
ACS 17612



Encl: As above

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA**

C.P.(CAA) No. 98/KB/2021
with
C.A . (CAA) No. 7/KB/2021

In the matter of :

The Companies Act, 2013

And

In the matter of :

Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of:

OBAN FASHIONS PRIVATE LIMITED, 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai-400053, Maharashtra.

... Demerged Company

And

In the matter of:

RUPA & COMPANY LIMITED, 1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata-700071, West Bengal

... Resulting Company

And

RUPA & COMPANY LIMITED

... PETITIONER

Date of Hearing: 09.07.2021

Date of Pronouncement: 26.07.2021

Coram:

Shri Rajasekhar VK, Member (Judicial)

Shri Harish Chander Suri, Member (Technical)

Appearances (via video conferencing):

For the Petitioner

- :
1. Ms. Shruti Swaika, Advocate
 2. Ms. Iram Hassan, Advocate
 3. Mr. Sanket Sarawgi, Advocate

ORDER

Per : Harish Chander Suri, Member (Technical)

1. The instant application has been filed under Section 230(6) of the Companies Act, 2013 (“Act”) for sanction of the Scheme of Arrangement between **OBAN FASHIONS PRIVATE LIMITED**, being the Petitioner No.1 abovenamed (“Demerged Company “or “**Petitioner No.1**”) and, **RUPA & COMPANY LIMITED** being the Petitioner No.2 abovenamed (“Resulting Company “or “**Petitioner No.2**”) and their respective shareholders and creditors. The Scheme provides for demerger from the Appointed Date, viz [1st April, 2021] in the manner and on the terms and conditions stated in the said Scheme of Arrangement (“**Scheme**”).
2. The Petition has now come up for final hearing. Counsel for the Applicants submits as follows:-
 - a. The Scheme was approved by the respective Board of Directors of the Companies at their meetings held on 9th December, 2020.
 - b. The circumstances which justify and/or have necessitated the Scheme and the benefits of the same are, inter alia, as follows:-
 - I. The Resulting Company is engaged in the manufacturing, marketing, selling and distribution of men’s and women’s innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operates through its manufacturing facilities situated in the state of West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh.
 - II. The Demerged Company is primarily engaged in manufacturing/trading, marketing and selling of hosiery items. The Demerged Company is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals,

etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL". The other undertaking of the Demerged Company is *inter alia* engaged in the trading of semi-finished hosiery items, etc. The Demerged Company is currently a wholly owned subsidiary of the Resulting Company.

III. The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company.

c. The proposed demerger of the Demerged Undertaking would help in:

- i. Utilizing the current market presence and customer base of the Resulting Company which will lead to the presence of the Demerged Undertaking across various market segments leading to higher growth/ top line for the Resulting Company
- ii. Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively
- iii. Under a liberalized, fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;

- iv. Will rationalize the management structure, reduce overhead costs and ultimately lead to streamlining the operations structure of the Demerged Undertaking
 - v. The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Resulting Company
 - vi. Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale and elimination of duplication of administrative expenses
 - vii. The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Remaining Undertaking of the Demerged Company and to achieve higher topline for the Remaining Undertaking.
 - viii. The Remaining Undertaking has significantly lower working capital requirement as compared to the Demerged Undertaking. Hence, demerger of the Demerged Undertaking would help in managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.
 - ix. Beneficial results for the Companies concerned, their shareholders, employees and all concerned.
3. The statutory Auditor of the Transferee Company have by their certificate dated 23rd December, 2020 confirmed that the accounting treatment in the Scheme is in conformity with the accounting standard prescribed under Section 133 of the Companies Act, 2013.
4. No proceedings are pending under Sections 210 to 227 of the Companies Act, 2013 against the Petitioner(s).
5. It is also stated that since the Demerged Company is a wholly-owned subsidiary of the Resulting Company, no new shares of the Resulting Company shall be allotted in lieu of the transfer of the Demerged Undertaking, to the shareholders of the Demerged

- Company, as the Resulting Company itself is the shareholder of the Demerged Company. A certificate from a Registered Valuer, Mr. Vikas Goel, (Regn. No. IBBI/RV/01/2018/10339) confirming that no shares would be issued by Resulting Company which is annexed to the petition pg. No. 489 being **Annexure M**.
6. The Learned Counsel for the petitioner submit that the company petition have been filed in consonance with the Order of this Tribunal dated 3rd February, 2021 in C.A. (C.A.A.) No. 7/KB/2021.
 7. Meeting(s) directed to be held: In terms of the order, meetings of the Equity Shareholders, Unsecured Creditors and Secured Creditors were held on 26th March, 2021 and the chairperson Mr. Soumitra Lahiri has filed his report which is annexed to the petition at pg. No. 412 being **Annexure K**. From the report it appears that the creditors and shareholders have approved the Scheme in their respective meetings.
 8. Affidavit of service/compliance in terms of order dated 3rd February, 2021 is filed and is also annexed to the petition at pgs. 397 being **Annexure J** to the petition.
 9. This second motion petition was admitted by order dated 4th June, 2021. Upon admission directions were given for publication of notice of hearing and service upon the sectoral authorities.
 10. Learned Counsel for the petitioner submit that in compliance of the order dated 4th June, 2021, the petitioner has published the notice of hearing and also served the sectoral authorities being Registrar of Companies, Central Government through the Office of Regional Director, Eastern Region, Income Tax, Official Liquidator, National Stock Exchange of India, BSE, SEBI and Competition Commission of India. It is further submitted that affidavit of compliance dated 18th June, 2021 has been filed before this Tribunal.
 11. It is submitted that in accordance with the relaxation extended by Circular No. CFD/DIL3/CIR/2018/2 dated 3rd January, 2018 issued by the SEBI, amending Para 7 of its earlier Circular No. CFD/DIL3/CIR.2017/21 dated 10 March, 2017, the Resulting Company is not required to obtain a separate approval from the Securities and Exchange Board of India ('SEBI') in connection with the proposed demerger.

Further, the Resulting Company has filed a letter with the stock exchange(s), intimating them about the proposed demerger. A copy of the letter filed with the stock exchange(s) is marked as **Annexure "P"** and is at pg 507 of the petition.

12. It is further submitted that the Central Government through the office of Regional Director has filed an affidavit dated 8th July, 2021 by which they have given their observations. Their observations and responses of the petitioners are given below:

Paragraph 2 (a) and 2(b)

2 (a) That it is submitted that on examination of the report of the Registrar of Companies, West Bengal it appears that no complaint and/ or representation has been received against the proposed Scheme of Arrangement. The Transferee/ Resulting Company is also up-dated in filing their statutory returns.

(2b) It is submitted that the Transferor Company namely M/s- Oban Fashions Private Limited and having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai, in the State of Maharashtra which does not fall under the jurisdiction of Eastern Region so that the deponent is not in a position to comment

Rejoinder paragraph 2

With regard to para 2(a) and 2(b) of the said affidavit, it is submitted that it is matter of record. A company petition (second motion) has been filed in Mumbai Bench of the Hon'ble Tribunal for seeking sanction of the Scheme and the same is pending adjudication.

Paragraph No. 2(c) of RD affidavit

"That the Transferee Company should be directed to pay applicable stamp duty on the transfer of the immovable properties from the Transferor/ Demerged Company to it."

Paragraph No. 3 of Rejoinder

With regard to para 2(c) of the said affidavit, I submit and state that the Resulting Company undertakes to pay applicable stamp duty on the transfer of immovable properties, if any.

Paragraph No. 2(d) of RD affidavit

“It is submitted that the Resulting Company namely Rupa & Company Limited is listed Company and registered with NSE & BSE. The Petitioner Company submitted that as per SEBI Circular No. CFD/DIL3/ CIR/2018/2 dated 03.01.2018 amending the para 7 of its earlier circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 read with Regulation 37(6) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the resulting company is not required to obtain a separate approval (NOC) from the Stock Exchanges/ Security and Exchange Board of India (SEBI). The Petitioner Company in view of the said circular submitted the scheme and other annexures before the NSE & BSE vide its letter no. 09.12.2020, which may perused by the Hon'ble Tribunal.” Copy of Circular dated 03.01.2018 is annexed to the affidavit.

Paragraph 4 of Rejoinder

With regard to para 2(d) of the said affidavit, it is submitted that it a matter of record that the Provisions of said circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 shall not apply to schemes which solely provides for merger of a wholly owned subsidiary or its division with the parent company and that such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosure. The present Scheme involves demerger of a wholly owned subsidiary hence the amended circular is applicable to the said Scheme and there is no requirement for obtaining separate approval (NOC) from the Stock Exchanges/ Security and exchange Board of India (SEBI).

Paragraph 2(e) of RD affidavit

It is submitted that as per instructions of the Ministry of Corporate Affairs, New Delhi, a copy of the scheme was forwarded to the Income Tax Department on 13/06/2021 for their views/ observation in the matter but the same is still awaited

Paragraph 5 of Rejoinder

With reference to para 2(e) of the said affidavit, the petitioner has not received any comments/ observation /objection from Income Tax Department.

13. From the material on record, the Scheme appears to be fair and reasonable and is not violative to any provisions of law, nor is contrary to public interest.
14. Heard submissions made by the Ld Counsel appearing for the Petitioner, RD. Upon perusing the records and documents in the instant proceedings and considering the submissions, we allow the petition and make the following orders:-
 - (a) the Scheme of Arrangement mentioned in paragraph 1 of this petition, being Annexure "A" hereto, be and is hereby sanctioned by this Tribunal to be binding with effect from the 1st April, 2021("Appointed Date") on **OBAN FASHIONS PRIVATE LIMITED, RUPA & COMPANY LIMITED** , their respective shareholders and creditors and all concerned;
 - (b) all the property, rights and powers of **OBAN FASHIONS PRIVATE LIMITED** , including those described in the Schedule of Assets herein, be transferred from the said Appointed Date, without further act or deed, to **RUPA & COMPANY LIMITED** and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act, 2013 be transferred to and vest in **RUPA & COMPANY LIMITED** for all the estate and interest of **OBAN FASHIONS PRIVATE LIMITED** therein but subject, nevertheless, to the charges affecting the same, as provided in the Scheme;
 - (c) all the debts, liabilities, duties and obligations of **OBAN FASHIONS PRIVATE LIMITED** be transferred from the said Appointed Date, without further act or deed, to **RUPA & COMPANY LIMITED** and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act, 2013, be transferred to and become the debts, liabilities, duties and obligations of **RUPA & COMPANY LIMITED**;
 - (d) all the employees of **OBAN FASHIONS PRIVATE LIMITED** shall be engaged by **RUPA & COMPANY LIMITED** as provided in the Scheme;

- (e) all proceedings and/or suits and/or appeals pending by or against **OBAN FASHIONS PRIVATE LIMITED** be continued by or against **RUPA & COMPANY LIMITED**, as provided in the Scheme;
- (f) **RUPA & COMPANY LIMITED** shall issue and allot to the shareholders of **OBAN FASHIONS PRIVATE LIMITED** , the shares in **RUPA & COMPANY LIMITED** in accordance with clause of the Scheme;
- (g) Leave be granted to the Petitioner to file the Schedule of Assets of the Specified Undertaking of the Transferor Company in the form as prescribed in the Schedule to Form No.CAA7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date of the order to be made herein;
- (h) **OBAN FASHIONS PRIVATE LIMITED** and **RUPA & COMPANY LIMITED** do each within thirty days of the date of the receipt of this order, cause a certified copy to be delivered to the Registrar of Companies for registration.
15. The Petitioner(s) shall supply legible print out of the scheme and schedule of assets in acceptable form to the registry and the registry will append such printout, upon verification to the certified copy of the order.
16. The Company Petition being CP (CAA) 98/KB/2021 connected with CA (CAA) No. 07/KB/2021 is disposed of accordingly.
17. Urgent certified copy of this order, if applied or, be supplied to the parties, subject to compliance with all requisite formalities.

(Harish Chander Suri)
Member (Technical)

(Rajasekhar V. K.)
Member (Judicial)

Signed on this, the 26th day of July

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