



KUSHAL/BSE/18-19-41

February 12, 2019

To,
The Listing Department,
BSE Limited,
P.J. Towers,
Dalal Street, Fort,
Mumbai -400 001

Ref: Kushal Limited (Scrip Code 536170)

Sub: - Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Sanction of Scheme of Amalgamation of Kushal Infrastructure Private Limited ("Transferor Company 1"), Ashapura Paper Mills Private Limited ("Transferor Company 2"), Kushal Wealth Creators Private Limited ("Transferor Company 3"), Riddhi Siddhi Recyclers Private Limited ("Transferor Company 4") with Kushal Limited ("Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made there under ("Scheme")


Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby submit that the Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its order dated February 05, 2019 (Certified true copy received on February 12, 2019) has sanctioned the Scheme of Amalgamation of Kushal Infrastructure Private Limited ("Transferor Company 1"), Ashapura Paper Mills Private Limited ("Transferor Company 2"), Kushal Wealth Creators Private Limited ("Transferor Company 3"), Riddhi Siddhi Recyclers Private Limited ("Transferor Company 4") with Kushal Limited ("Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made there under ("Scheme"). Copy of said order is annexed herewith.

We request you to take the same on record.

Thanking You.

For Kushal Limited


CS Khushboo Surana
(Company Secretary)



Encl: as above

KUSHAL LIMITED

(Formerly known as Kushal Tradelink Limited)
CIN: L74110GJ2000PLC037472

Registered office:
Kushal House, Plot no. 115, Off C.G Road,
Navrangpura, Ahmedabad- 380009, Gujarat, India.

Phone No : +91-79-26408027
+91-79-26404027

Email Id : info@kushallimited.com
Website : www.kushallimited.com

Free of cost copy

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

CP(CAA) No. 146/2018 in

CA(CAA) No. 108/230-232/NCLT/AHM/2018

Coram: **Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER JUDICIAL**
Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH
OF THE NATIONAL COMPANY LAW TRIBUNAL ON 05.02.2019**

Name of the Company: Kushal Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	NATASHA DHIRUMAN SHAH	ADV.	APPLICANT	<i>Natasha</i>
2.				

ORDER

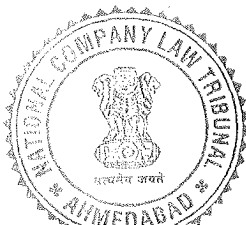
The petitioner is represented through their respective learned counsel.

The Order is pronounced in the open court, vide separate sheet.

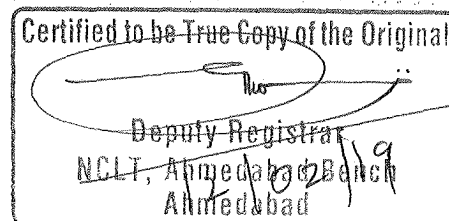
Manor
**MANORAMA KUMARI
MEMBER JUDICIAL**

Dated this the 5th day of February, 2019

Harihar
**HARIHAR PRAKASH CHATURVEDI
MEMBER JUDICIAL**



AB



**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH**

CP(CAA) No.146/NCLT/AHM/2018
In
CA(CAA) No. 108/NCLT/AHM/2018

In the matter of :

Kushal Limited
A company registered under
the Companies Act, 1956
Having its registered office at
Kushal House,
Plot No. 115,
Off C.G. Road,
Navrangpura,
Ahmedabad - 380009

Petitioner
(Transferee Company)

Order delivered on 05.02.2019

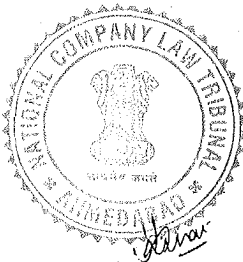
**Coram: Hon'ble Mr. Harihar Prakash Chaturvedi, Member (J)
Hon'ble Ms. Manorama Kumari, Member (J)**

Appearance: Ms. Natasha Dhruman Shah, Advocate for the
Applicant Company is present

ORDER

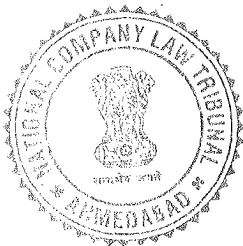
[Per se: Ms. Manorama Kumari, Member (J)]

1. The instant petition under Sections 230-232 of the Companies Act, 2013 is filed by the Petitioner Transferee Company seeking sanction of the proposed Scheme of Arrangement in the nature of Amalgamation of Kushal Infrastructure Private Limited, Ashapura Paper Mills Private Limited, Kushal Wealth Creators Private Limited, Riddhi Siddhi Recyclers Private Limited, the Transferor Companies with Kushal Limited, the Transferee Company) and their respective shareholders and creditors ["Scheme" for short].
2. The Petitioner of CP (CAA) No. 146/NCLT/AHM/2018, the Petitioner Transferee Company, filed CA(CAA) No.108/NCLT/AHM/2018 before this Tribunal, seeking directions for convening and holding of meetings of



Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Transferee Company for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement in the nature of Amalgamation. This Tribunal vide Order dated 20.09.2018 directed convening and holding of the meetings of Equity Shareholders, the Secured Creditors and the Unsecured Creditors of the Petitioner Transferee Company for the purpose of considering and if thought fit, approving with or without modifications, the proposed Scheme of Arrangement in the nature of Amalgamation. This Tribunal also directed issuance of notices to Regional Director, North Western Region, Registrar of Companies, the Official Liquidator and the Income Tax Authorities stating that the representation, if any, to be made by them, be made within a period of 30 days from the date of receipt of such notice.

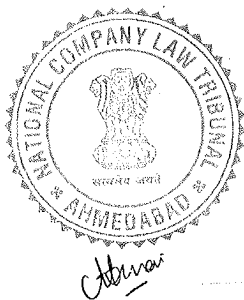
3. In pursuance to the order dated 20.9.2018, the Petitioner Transferee Company served notices upon the aforesaid statutory authorities, the Equity Shareholders, the Secured Creditors and the Unsecured Creditors. The Petitioner Transferee Company filed affidavit evidencing service of notice upon the aforesaid statutory authorities, the Equity Shareholders, Secured Creditors and the Unsecured Creditors with this Tribunal on 23.10.2018 and the same is placed on record.
4. It is stated by the Petitioner Transferee Company that the aforesaid meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Transferee Company were duly convened and held on 30th October, 2018 and the Chairperson appointed for the said meetings reported the result of the said meetings to this Tribunal vide affidavit dated 5th November, 2018. Perusal of the same confirms the unanimous approval of



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the proposed Scheme by the Equity Shareholders, the Secured Creditors and the Unsecured Creditors of the Petitioner Transferee Company.

5. In response to the individual notices dated 04.10.2018 in pursuance of the order dated 20.9.2018 of this Tribunal, to the Regional Director and the Official Liquidator, the Regional Director as well as the Official Liquidator submitted their representation dated 05.11.2018 and 06.11.2018 respectively.
6. The Income Tax Department, through the office of the Deputy Commissioner of Income Tax, Circle 2(1)(2), Ahmedabad vide his letter No. DCIT/Cir. 2(1)(2)/Kushal Ltd./2018-19 dated 23.10.2018 informed this Tribunal, the Income tax demands outstanding in the name of the Petitioner Transferee Company as well as the the Kushal Infrastructure private limited, the Transferor Company. Though the demand in respect of the Transferor Company is very nominal, however, the demand outstanding against the Petitioner Transferee Company is huge. Accordingly, the Department requested this Tribunal to kindly consider the claim of the Department during the proposed Scheme u/s 230 to 232 of the Companies Act, 2013.
7. No other representations are received.
8. The Petitioner Transferee Company, thereafter, filed Petition being CP(CAA) No.146/NCLT/AHM/2018 before this Tribunal seeking sanction of the Scheme.
9. This Tribunal, by separate orders, dated 7.12.2018 admitted the aforesaid petition and directed issuance of notices to Regional Director, North Western Region, Registrar of Companies, BSE, SEBI and the Income Tax Authorities informing the date of hearing of the petition. This Tribunal also directed publication of notice of hearing of the petition in "Financial Express" (All over



India) in English as well as Vernacular language not less than 10 days before the date fixed for hearing of the petition, calling for objections, if any, on or before the date of hearing.

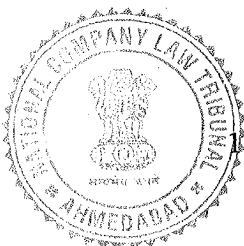
10. Pursuant to the order dated 7.12.2018 passed by this Tribunal, the Petitioner Transferee Company published the notice of hearing of the petition in Financial Express (All over India) dated 21.12.2018 in English as well as vernacular language. The notices for hearing of the Company Petition were served upon the Regional Director, Registrar of Companies, BSE, SEBI and the Income Tax Authorities on 21.12.2018. The Petitioner Transferee Company filed affidavit evidencing service of notice upon the aforesaid statutory authorities with this Tribunal on 27.12.2018 and the same is placed on record.

11. The Regional Director, North Western Region, sent in, his common representation dated 5th November 2018. The observations of the Regional Director and the replies submitted by the Petitioner Transferee Company are deliberated hereunder:

11.1 Contents of Para 1, 2(a) to (c) are matters of record and do not call for any response.

11.2 It is stated in para 2(d) of the representation of the Regional Director that the Petitioner Companies should undertake to comply with section 232 (3)(i) of the Companies Act. In this regard it is submitted by the Petitioner Transferee Company that the Petitioner Transferee Company undertakes to comply with the provisions of section 232(3)(i) of the Companies Act 2013 and will pay the fees accordingly.

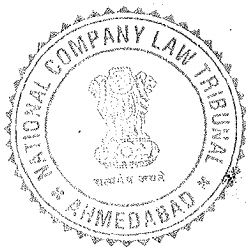
11.3 The Regional Director, in para 2(e) of his representation has reiterated the observations of the BSE in relation to the Transferee Company and referred SEBI circulars



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issued on 04.02.2013, 21.05.2013 and 10.03.2017 which are intended to ensure compliance by listed companies in the interest of shareholders at large. And has further stated that RD's office is of the view that the said SEBI circulars are applicable and the Petitioner Transferee Company should comply with the requirements of the said circulars and desired this Tribunal to direct the Petitioner Transferee Company to confirm that the Petitioner Transferee Company has complied with the same as also BSE directions conveyed in the aforesaid letter of BSE. In this regard, the Petitioner Transferee Company vide IA No. 51 of 2019 in CP(CAA) No. 146 of 2018 connected with CA(CAA) No. 108 of 2018 has reiterated the observations of the BSE and/or SEBI in relation to the Petitioner Transferee Company. The Petitioner Transferee Company states that it is relevant to note that no adverse observations have been made by SEBI through BSE in its representation dated 29.08.2018. Without prejudice to the aforementioned, the Petitioner Transferee Company states that the Petitioner Transferee Company has complied with requirements as mentioned in letter dated 29.08.2018 issued by BSE and made the required disclosures

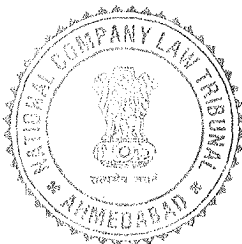
11.4 The Regional Director, in para 2(f) of his representation has expressed his ignorance regarding compliances of FEMA and RBI guidelines by the Petitioner Transferee Company since the Petitioner Transferee Company has FIIs, Foreign Portfolio Investors and Non Resident Indians amongst its shareholders. In this regard, it is stated by the Petitioner Transferee Company that the Petitioner Transferee Company made Initial Public offer (IPO) in August 2013 and allotted 7928000 Equity Shares to 313 allottees on 29.08.2013. The Petitioner Transferee Company states that all the 313 allottees were Indian



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Residents and thus such allotment did not attract the provisions of FEMA or RBI guidelines and accordingly the Petitioner Transferee Company was not required to file any report with RBI or FEMA or ensure any other compliance. The Petitioner Transferee Company thereafter states that on 18.03.2017, the Petitioner Transferee Company has allotted Bonus Shares in the ratio of 1:1 to those shareholders, whose name have been identified as in the list of Shareholders/Beneficial Owners on record date i.e. 17.03.2018. The Petitioner Transferee Company states that out of all shareholders, 148 shareholders were foreign investors. The Petitioner Transferee Company states that since the Petitioner Transferee Company had to allot Bonus Shares to persons resident outside India, the Petitioner Transferee Company, as per FEMA and RBI guidelines, was required to file Form FC-GPR through its AD Category I bank within 30 days from the date of issue of shares. The Petitioner Transferee Company accordingly made an application to the Reserve Bank of India via its online portal <http://www.egiz.gov.in/app> on 28.03.2017 and subsequently physical submission was made with Bank of India (Authorized Dealer) in May 2017 and the same came to be acknowledged by the Reserve Bank of India vide its letter dated November, 2017.

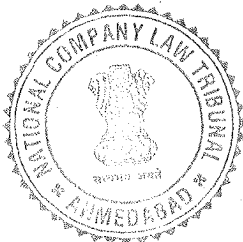
The Petitioner Transferee Company has annexed copies, each of the letter dated 10.4.2017 submitted by the Petitioner Transferee Company to RBI providing the details of all the 148 shareholders along with filing of Form FC-GPR, letter dated 18.05.2017 issued to Bank of India evidencing physical filing of Form FC-GPR, Certificate dated 04.07.2017 issued by Bank of India evidencing that the allotment of Bonus Shares is in accordance with the FEMA and RBI guidelines and letter dated 14.11.2017 issued by RBI acknowledging the



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allotment of Bonus Shares as Annexure - IF to the present petition.

11.5 In para 2(g) of the representation of the Regional Director, it is stated by the Regional Director that ROC, Gujarat, Ahmedabad has submitted his report dated 01.11.2018 to his office stating that the Ministry of Corporate Affairs has directed vide letter No. 03/424/2017 - CL-II dated 07.11.2017 to carry out the inquiry under Section 206(4) of the Companies Act, 2013 on the basis of reference received from SEBI vide letter dated 21.09.2017. In this regard, ROC has furnished and sent report dated 04.01.2018 to the office of RD and the same has been sent to the Ministry vide letter dated 16.01.2018 by RD. The Regional Director has desired this Tribunal to direct the Petitioner Companies to place on record all the relevant facts of the matter and to undertake to provide the relevant documents / information / clarification & cooperate with his office as and when required in this regard. With respect to the observation in paragraph no. 2(g), the Petitioner Transferee Company has stated that upon reference from SEBI, the Registrar of Companies had initiated an inquiry under section 206 of the Companies Act, 2013 by way of letter dated 07.12.2017 and sought detailed reply/explanation/documents in relation to the same. The Petitioner Transferee Company by way of response dated 12.12.2017 provided all the relevant documents and explanation to that effect to the Registrar of Companies. The Petitioner Transferee Company submits that thereafter, the Petitioner Transferee Company in due compliance of the order dated 20.09.2018 passed by this Tribunal in CA(CAA) No. 108 of 2018, has served a notice under section 230(5) of the Companies Act, 2013 and also filed the proof of service of the same by way of affidavit dated 22.10.2018 as Annexure J to the present petition. The Petitioner



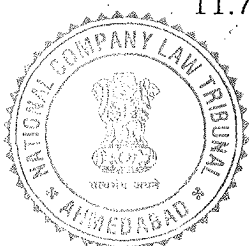
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Transferee Company states that in response to the same, the Registrar of Companies filed its report dated 01.11.2018 with the Regional Director which forms a part of the Report filed by the Regional Director wherein it declares at Point Nos. 7,8,9,10,11 and 12 and expressly mentions that there are no show cause notices issued, no violations of the provisions of Companies Act, 2013, no pending court proceedings and in relation to the technical scrutiny in relation to inquiry initiated upon reference by SEBI, upon examination of the reply and explanation, no violation of Companies Act, 2013, is found and also that no inspections or investigations are pending under section 209A/206(5) of the Companies Act, 1956/2013.

The Petitioner Transferee Company has annexed copies each of the letter dated 07.12.2017 issued by the Registrar of Companies, the response dated 12.12.2017 provided by the Petitioner Transferee Company to Registrar of Companies and the Report dated 01.11.2018 filed by the Registrar of Companies to the Regional Director in relation to the present Scheme as Annexure - IG to the present petition.

11.6 It is stated in para 2(h) of the representation of the Regional Director that the Petitioner Companies have not filed their Balance Sheets as at 31.03.2018 with MCA portal. With respect to the observation in paragraph no. 2(h), the Petitioner Companies have stated that the Petitioner Companies have filed their Balance Sheets and the same is annexed as Annexure C to the respective petitions.

11.7 The Regional Director has desired this Tribunal to direct the Petitioner Companies to pay the legal expenses/ cost towards filing of the Regional Director's Report. The Petitioner Companies, in response to this direction, has undertaken to pay the amount as may be directed by this



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Tribunal towards the expenses for filing of the Regional Director's Report.

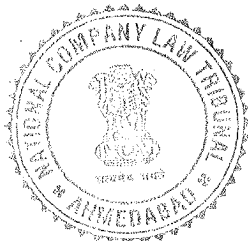
11.8 The Regional Director has further stated in his representation that the report received from the office of the Registrar of Companies states that there are no complaints against the Petitioner Companies and also there is no complaint / representation against the Scheme of Amalgamation of the Petitioner Companies.

12. In view of the replies submitted by the Petitioner Transferee Company to the observations of the Regional Director which are common to all the Transferor Companies and the Petitioner Transferee Company, the observations of the Regional Director stand satisfied.

13. The Income Tax Department, as mentioned in Para 6 above, through the office of the Deputy Commissioner of Income Tax, Circle 2(1)(2), Ahmedabad vide his letter No. DCIT/Cir. 2(1)(2)/Kushal Ltd./2018-19 dated 23.10.2018 has informed this Tribunal that Kushal Infrastructure P. Ltd, the Transferor Company and Kushal Ltd. (formerly known as Kushal Tradelink Ltd), the Petitioner Transferee Company owe the following amounts to the Income Tax Department as per details given below:

Kushal Ltd. - Petitioner Transferee Company

Sr. No.	A.Y.	Demand Type	Amount in Rs.
1	2003-04	Interest	10,795
2	2006-07	Interest	56,462
3	2007-08	Penalty	1,04,44,000
4	2007-08	Interest	48,03,623
5	2008-09	Tax	1,30,577
6	2009-10	Interest	3,00,240
7	2009-10	Penalty	6,47,827
8	2010-11	Penalty	1,46,87,860
9	2010-11	Interest	48,48,449



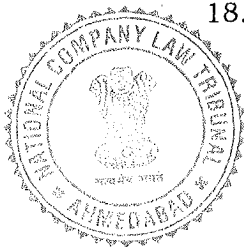
Attorney

CP(CAA) No.146/NCLT/AHM/2018
In
CA(CAA) No. 108/NCLT/AHM/2018

8	2010-11	Penalty	1,46,87,860	1,46,87,860	Matter is pending with ITAT
9	2010-11	Interest	48,48,449	48,48,449	Matter is pending with ITAT
10	2016-17	Tax	12,83,37,180	1,20,64,160	Rectification request at CPC is under consideration
		Total:	16,42,67,013	4,79,02,671	

The Petitioner Transferee Company has undertaken to comply with the provisions of the Income Tax Act and pay the liabilities once it is finalized reseving their right to file appeal with approporaite authrotiy under the Income Tax Act.

15. Pursuant to the order dated 07.12.2018 and issuance of notices to the Regional Director, Registrar of Companies, BSE, SEBI and the Income Tax Authorities and publication of the notice in the local dailies, no representation is received.
16. Heard learned advocate Ms. Natasha Dhruvan Shah, Advocates, for the Petitioner Transferor Company.
17. Considering the facts and circumstances of the case and on perusal of the Scheme and the documents placed on record, it appears that the requirements of the provisions of Sections 230 and 232 of the Companies Act, 2013 are satisfied.
18. In the result, the petition is allowed subject to the decision of this Tribunal in CP(CAA) No. 142/NCLT/AHM/2018, CP(CAA) No. 143/NCLT/AHM/2018, CP(CAA) No. 144/NCLT/AHM/2018 and CP(CAA) No. 145/NCLT/AHM/2018. The Scheme of Arrangement as



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10	2016-17	Tax	12,83,37,180
		Total:	16,42,67,013

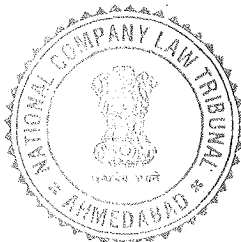
Kushal Infrastructure P. Ltd - Transferor Company

Sr. No.	A.Y.	Demand Type	Amount in Rs.
1	2011-12	143(1)	4,300
2	2017-18	143(1)	10
		Total:	4,310

14. The Director of the Petitioner Transferee Company vide affidavit dated 01.02.2019 has submitted the current status of the matters and the same are given hereunder:

Kushal Ltd. - Petitioner Transferee Company

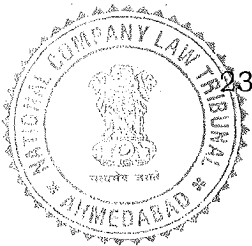
Sr. No.	A.Y.	Demand Type	Amount in Rs.	Outstanding as per Income tax portal	Status
1	2003-04	Interest	10,795	10,795	Due to TDS mismatch
2	2006-07	Interest	56,462	56,462	Due to TDS mismatch
3	2007-08	Penalty	1,04,44,000	1,03,44,699	Matter is pending with ITAT
4	2007-08	Interest	48,03,623	48,03,623	Matter is pending with ITAT
5	2008-09	Tax	1,30,577	1,38,556	Due to TDS mismatch
6	2009-10	Interest	3,00,240	3,00,240	Matter is pending with ITAT
7	2009-10	Penalty	6,47,827	6,47,827	Matter is pending with ITAT



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placed at Annexure-F is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Transferee Company and the Transferor Companies and their shareholders, creditors and all concerned under the Scheme.

19. The Petitioner Transferee Company is directed to accept the liability(ies) that may arise/arisen if any, on account of lapses or contravention of statutory provisions prior or post the Scheme of Amalgamation, SEBI and FEMA/RBI Regulations etc.
20. The Petitioner Transferee Company and the Transferor Companies shall abide by the tax implications. Approval of the Scheme by this Bench/Tribunal shall not/would not deter/affect any other competent authority(ies) in enforcing the existing laws of the land for the time being in force.
21. Fees of Official Liquidator is quantified at Rs. 10,000/- in C.P. (CAA) No. 146/NCLT/AHM/2018. The said fees would be paid by the Petitioner Transferee Company. Further, the fees of Regional Director is quantified at Rs. 25,000/- and the said fees would be paid by the Petitioner Transferee Company.
22. Filing and issuance of drawn up orders are dispensed with. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the certified copy of this order along with the Scheme immediately.



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23. The Registry is directed to send ^{and} copy of this order to the Deputy Commissioner of Income Tax, Circle 2(1)(2), 1st Floor, Navjeevan Trust Building, Nr. Navjeevan Post Office, Ahmedabad-380 014 Ahmedabad. Reference his

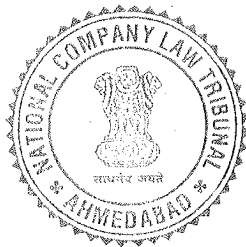
CP(CAA) No. 146/NCLT/AHM/2018
In
CA(CAA) No. 108/NCLT/AHM/2018

letter No. DCIT/Cir. 2(1)(2)/Kushal Ltd./2018-19 dated
23.10.2018.

24. The Company Petition is disposed of accordingly.

Manora
Ms. Manorama Kumari,
Member (Judicial)

Harihar
Harihar Prakash Chaturvedi,
Member (Judicial)



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