



# RAJ OIL MILLS LTD.

November 07, 2019

To,

The BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001

The National Stock Exchange India Limited  
Exchange Plaza, Plot No. C/1, Block – G  
Bandra Kurla Complex, Bandra – East  
Mumbai – 400 051

**Sub.: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015**

**Ref.: Order of the Hon'ble National Company Law Tribunal, Mumbai in the Miscellaneous Application no. MA1305/2019 in C.P. 1132/I&BC/MB/MAH/2017**

Dear Sir,

With reference to the captioned matter, we would like to bring to your kind attention that the Company had filled a Miscellaneous Application with the Hon'ble National Company Law Tribunal, Mumbai for waiver of the various fines charged by the Stock Exchanges and Registrar of Companies for various non compliances or delayed compliances by the Company for the period prior to the 03<sup>rd</sup> May, 2018.

Further to the above the Hon'ble National Company Law Tribunal, Mumbai vide its Order dated 11<sup>th</sup> October, 2019 directed that the Applicant is not liable to responsible for prior to 03/05/2018 and to list the shares, if not listed, and provide trading platform subject to the payment of dues by the Applicant after taking over of the management with effect from 03/05/2018. .

Certified True Copy of the Order, dated 07<sup>th</sup> November, 2019 enclosed for your reference.

Request you to kindly take this letter on record and acknowledge the receipt.

Thank you.

For Raj Oil Mills Limited



Ankit Kumar Jain  
Company Secretary & Compliance Officer

Encl.: As above.

In the National Company Law Tribunal  
Mumbai Bench.

**MA 1305/2019** in C.P.1132/I&BC/MB/MAH/2017

In the matter of

Raj Oil Mills Limited .. : Applicant

V/s

1. National Stock Exchange of India Limited (NSE), Mumbai  
2. BSE Limited (BSE), Mumbai  
3. Registrar of Companies (ROC ), Mumbai  
4. Securities and Exchange Board of India ( SEBI ), Mumbai

: Defendants

Heard on : 09.10.2019  
Order delivered on : 11.10.2019

Coram:

Hon'ble Shri M.K. Shrawat, Member (Judicial)  
Hon'ble Shri C.B. Singh, Member (Technical).

For the Petitioner(s) : 1. Mr. Chetan Kapadia, Counsel;  
2. Mr. Rahul Sarda;  
3. Mr. Uzair Z. Kazi;  
4. Ms. Joshua D'Souza;  
5. Mr. Rudia S. Pillai.

For the Respondent(s) : 1. Mr. Mahesh Chaugani;  
2. Mr. Himanshu Vidhani, i/b. Khetan & Co. (For Respondent No.3, BSE Ltd.);  
3. Mr. Pruthvi Dhinoja &  
4. Mr. Rashid Boatwalla, i/b. MKA & Co. (for Respondent No. 1, NSEIL).

***Per M.K. Shrawat, Member (Judicial).***

**ORDER**

1. This is an Application filed by Raj Oil Mills Ltd., in whose case a Resolution Plan was approved vide an order dated **19/04/2018 passed U/s 30(1) & (6)** and U/s 31 of I&B Code 2016 approving the Resolution Plan. Consequent thereupon; the Resolution Applicant, now the new Management, has moved this Application with the following prayers:-

"a. That this Hon'ble Court be pleased to declare that the Respondents are not entitled to claim any outstanding amount from the Applicant dues prior to 2<sup>nd</sup> May, 2018;

- b. That this Hon'ble Court be pleased to pass appropriate Order directing the Respondents to list all the shares of the Applicant in their respective exchange and trading platform.
- c. Pending the hearing and final disposal of the present Miscellaneous Application, this Hon'ble Court be pleased to pass appropriate Order directing the Respondents immediately to list all the shares of the Applicant in their respective exchange and trading platform."

2. In short, an Application **U/s.10** was submitted by the erstwhile Promoters/ Directors of Raj Oil Mills and vide an **Order dated 10.07.2017 (TCP 1132/I&B/MB/2017)**, said Petition '**Admitted**' and Corporate Insolvency Resolution Process commenced. On commencement of the Insolvency Proceedings, a Resolution Plan was submitted which was approved by majority vote vide Committee of Creditors Resolution and thereupon confirmed by NCLT vide Order dated 19.04.2018.

3. Ensuing thereupon, the 'Resolution Applicant' took over the charge of the Corporate Debtor i.e. Raj Oil Mills on 03.05.2018. The submission of the Resolution Applicant (new Management) is that any demand raised by National Stock Exchange (NSE) and Bombay Stock Exchange Limited (BSE) after the approval of the Resolution Plan is bad in law and against the provisions of Insolvency Code. In this regard, the demands raised by NSE (Respondent No.1) are stated to be as under:-

"14) It is submitted that Respondent No.1 by its E -mail dated 26<sup>th</sup> December, 2018 has called upon the Applicant to pay a sum of Rs.9,09,464 (Rupees Nine Lakh Nine Thousand Four Hundred Forty Six Only) towards Annual Listing fees which includes the amount of invoice dated 1<sup>st</sup> April, 2017 for Rs.2,93,250/- (Rupees Two Lakh Ninety Three Thousand Two Fifty only) towards listing charges for the year, 2017-2018 and further demanded by Invoice dated 01<sup>st</sup> April, 2018 an amount of Rs.3,42,200/- (Rupees Three Lakh Forty Two Thousand only) for the year, 2018-2019. The applicant submits that the Applicant after deducting the T.D.S. on the amount of Rs.3,42,000/- (Rupees Three Lakh Forty Two Thousand only) made payment of Rs.3,13,200 (Rupees Three lakh Thirteen Thousand Two Hundred only) for the year 2018-2019 to the Respondent no.1."

"15) It is submitted that the Respondent No.1 by its E -mail dated 26<sup>th</sup> February, 2019 and 26<sup>th</sup> March, 2019 called up on Applicant to make a payment of Rs.1,70,12,537/- (Rupees Once Crore Seventy Lakh and Twelve Thousand Five Hundred Thirty Seven) toward fines as per SEBI standard operation payment(SOP) circular for Non Compliance or Delayed Compliance of various SEBI Regulations for the default which has occurred prior to the approval of the Resolution Plan."



4. Likewise, BSE (Respondent No.2) has also raised demand as follows:-

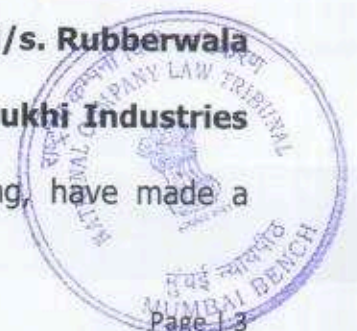
*"16. It submitted that Respondent No.2 by its invoice No.271190004368 dated 02<sup>nd</sup> April, 2018 called upon the Applicant to make a payment of Rs.8,69,040 /- (Rupees eight Lakhs Sixty Nine Thousand Forty only), toward Annual Listing Fee for the period of 2016-2017, 2017 -2018 and 2018-19. It is submitted that out of the aforesaid amount, the Applicant was supposed to make payment towards the annual listing fees for the year, 2018-209 and accordingly, the Applicant after deducting the T.D.S. has already made payment of Rs.2,70,000 (Rupees Two Lakh Seventy Thousand Only). It is submitted that the Applicant was never liable to may payment towards the annual listing fees from the year, 2016-22017 and 2017 and 2018, hence the Applicant has not made payment towards the same."*

5. Ld. Counsel appearing on behalf of the Applicant has informed at the outset that the cut-off date should be the date on which the Resolution Applicant had taken over the charge of the Corporate Debtor, i.e. 03.05.2018. Up to the said date any demand or levy of cess could not be the responsibility of the successful 'Resolution Applicant' (new Management). It has further been clarified by the Ld. Counsel of the Applicant that once the new Management had taken over the Management of the said Corporate Debtor, i.e. with effect from 03.05.2018, thereafter, only answerable for payment of any cess or fees of these Two Respondents viz. NSE and BSE.

5.1 One more information has been brought to the notice that as per Books of the Corporate Debtor drawn as on **10.07.2017 the liability of NSE** was reflected for a sum of **Rs.1,30,193/-**. However, during the Corporate Insolvency Resolution Process period no claim was lodged before the Resolution Professional by NSE.

5.2 Further, it has also been brought to the notice that the **liability of Bombay Stock Exchange (BSE)** as per the Books of the Corporate Debtor **as on 10.07.2017** was at **Rs.2,42,127/-**, however, claim which was lodged and received by the Resolution Professional was to the tune of Rs.5,79,676/-.

6. Keeping that position in mind, as also considering the details incorporated in Information Memorandum, the successful Resolution Applicants viz. **M/s. Rubberwala Housing & Infrastructure Limited (RHIL) jointly with M/s. Mukhi Industries Limited (MIL)**, being their plan was approved by 77.68% voting, have made a



provision that there shall be no responsibility or liability pertained to the period prior to the commencement of the Insolvency process. It has also been provided that the Resolution Applicant would not be responsible or charged for any act or omission prior to the date of approval of the Resolution Plan. In this regard, referred Para 2.17, Para 2.12, para 11.1 and para 11.2 of the Order passed u/s. 30(1) and (6) and Order u/s.31 of IBC dated 19.04.2018 approving the Resolution Plan with certain qualifications are referred.

7. The said Resolution Applicants have proposed in the Plan to make initial payments as under:-

*"INITIAL PAYMENT*

*In the meeting held on 19<sup>th</sup> December, 2017 Committee of Creditors have discussed the proposal of Resolution Plan. It was resolved in the meeting that the Resolution Applicant to deposit 10% of the total amount committed to the creditors as per the Resolution Plan. The amount to be deposited in HDFC bank beneficiary Shamrao Vitthal Co-op Bank, the account will be treated as Escrow account. In case the Resolution Plan of the Resolution Applicant is rejected the advance will be remitted back to Resolution Applicant. In accordance with the compliance with the condition we are depositing Rs. 6.22cr, being 10% of total proposed payment to all the creditors of Rs.62.23cr.*

*We may further add that we will further deposit Rs.5.65cr. on approval of Resolution Plan by NCLT.*

*In our proposed Resolution Plan submitted earlier we had agreed for payment of initial amount. The balance part of initial amount will be paid by 25<sup>th</sup> March, 2018.*

*- We have committed Rs.15cr. to Edelweiss Assets Reconstruction Company Limited as initial amount. We may clarify that 10% amounting to Rs. 2.7cr. of Rs.27 cr. is getting deposited on 21<sup>st</sup> December, 2017 Rs.4.05cr. will be deposited/paid on approval of Resolution Plan by NCLT and balance Rs.5.25cr. shall be paid by 25<sup>th</sup> March, 2018.*

*- We have committed 20.50cr. to SVC Bank as initial amount. We may clarify that 10% amounting to Rs.2.05cr. of Rs.20.50 cr. is getting deposited on 21<sup>st</sup> December, 2017 Rs.1cr. will be deposited / paid on approval of Resolution Plan by NCLT and balance Rs.2.45cr. shall be paid by 25<sup>th</sup> March, 2018."*

8. That a provision has been made for Statutory liabilities, therefore, while implementing the said Resolution Plan, the payments as committed have already been made to BSE and NSE, claimed before us. This fact can be verified by the Respondents.

9. In this regard, about statutory dues, reliance is placed on following Two decisions:



1. NCLT, Chandigarh Bench, Chandigarh Order dated 15.06.2018 in the matter of *State Bank of India Vs. MOR Farms Pvt. Ltd. (CA Nos.71/2018 & 171/2018 in CP (IB) NO. 51/Chd/Hry/2017)*;

2. NCLT, Chennai Bench, Chennai Order dated 11.03.2019 in the matter of *M/s. Union Bank of India Limited Vs. M/s. Star Agro Marine Exports Private Limited (MA /520/2018 in CP/668/IB/2017)*.

10. The Applicant has made Securities & Exchange Board of India (SEBI) a party to this Application, hence an Affidavit has been filed on behalf of SEBI wherein vide Para 8 it was expressed as under:-

*"8. It is submitted that since neither the Listing Fee nor the SOP Fines are collected by the Recognized Stock Exchange on or behalf of Respondent No. 4, such fee of fines, if unpaid, cannot be recovered by Respondent No. 4 under the SEBI Act. Since, there is no prayer sought by the Applicant under the captioned Misc Application against the Respondent No. 4, it is prayed that the Respondent no. 4 may be discharged from the proceedings."*

11. From the side of the Bombay Stock Exchange ( BSE ) and National Stock Exchange Ltd. ( NSE ), Ld. Representatives have vehemently pleaded that the defaults have been committed by the Corporate Debtor by not timely complying with the provisions, therefore, the incoming Management is fully responsible for the statutory defaults. It has also been pleaded that once the Resolution Professional had taken over the affairs of the Company and upto the date when the new Management taken over the charge, the Corporate Debtor should be held responsible for making the payment, due after the commencement of the Corporate Insolvency Resolution Process. Certain technical arguments have also been raised that the relief sought is not proper because the Shares are duly listed and never been delisted, therefore, the prayer for listing of the Shares is not appropriate. Mere suspension should not be the grievance of the Applicant because the suspension is to be removed on payment of the Statutory dues levied by SEBI.



**FINDINGS : -**

12. Having heard the submissions of all the sides and on due consideration of the Resolution Plan, which now stood 'Approved' as per an Order of this bench dated 19.04.2018 it is very much clear that a provision was made by the Resolution Applicants for part payment of the outstanding dues as on the date when the Resolution Plan was approved and the new Management had taken over the charge of the impugned Corporate Debtor. A statement has been made at the Bar by the Ld. Counsel of the Resolution Applicant that the terms of payment as committed in the Resolution Plan have been fulfilled, therefore, the Resolution Applicant should not be treated in default of non-payment of alleged dues of BSEL and NSE. This statement can be verified by the Respondents – 1 & -2. Moreover, the provisions of the Insolvency Code are absolutely clear that prior to the taking over the charge of the Corporate Debtor, the incoming Management must not be held responsible for any act, omission or defaults of the erstwhile Board of Directors or any of the Officer of the Company. In this case, the admitted factual position, as pleaded, is that after taking over the charge with effect from 03.05.2018 the incumbents have paid the legitimate amount to BSEL / NSE as proposed in the Plan.

13. Moreover, at this stage, when a Resolution Plan has been admitted and there is no allegation of non-compliance of the undertakings given in the Resolution Plan, it is not legitimate as per Insolvency Code to infest the Resolution Applicant with a liability for which he is not responsible being committed by the erstwhile office bearers of the impugned Corporate Debtor. Further that the liability which was taken over by the new Management was subject to percentage of payment as proposed in the Plan. The Applicant has placed on record a bifurcation of the liability pre- and post-commencement which is to be verified by the concerned authorities of BSE/ NSE and thereupon after verification from the records can direct the Applicant to make the payment of the dues as per the Rules and Regulations of BSE/ NSE for the period commencing with effect from 03.05.2018 only.



14. With these directions, the Application MA 1305/2019 is "allowed" as follows:-

Prayer (a) : Allowed, since Applicant is not responsible prior to 03.05.2018.

Prayer (b) : Partly Allowed. Both these Stock Exchanges are directed to list the shares, if not listed, and thereupon provide trading platform subject to payment of dues by the Applicant after taking over of the management with effect from 03.05.2018.

Prayer (c) : Redundant since simply seeking an Interim Injunction.

15. Ordered accordingly.

Sd/-  
**CHANDRA BHAN SINGH**  
Member (Technical)  
Date : 11.10.2019  
ug

Sd/-  
**M.K. SHRAWAT**  
Member (Judicial)



Certified True Copy  
Copy Issued "free of cost"  
On 07/11/2019

  
Assistant Registrar

National Company Law Tribunal, Mumbai Bench