

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

CA (CAA) No. 213/230/HDB/2018

U/s 230 to 232 of the Companies Act, 2013

In the matter of

GOCL Corporation Limited
Kukatpalli, PB No.1, Sanatnagar (IE)
Hyderabad – 500018

.. Applicant No.1/
Transferee Company

AND

IDL Buildware Limited
Kukatpally, PB No.1, Sanatnagar (IE)
Hyderabad – 500018

...Applicant No.2/
Transferor Company No.1

AND

Gulf Carrosserie India Limited
Kukatpally, PB No.1 Sanatnagar (IE)
Hyderabad – 500018

...Applicant No.3/
Transferor Company No.2

VERSUS

1. The Registrar of Companies
Andhra Pradesh and Telangana,
2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda,
Hyderabad - 500 068, Telangana
2. The Official Liquidator
1st Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068, Telangana
3. The Regional Director
South East Region,
3rd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068, Telangana



4. INCOME TAX OFFICER
Ward 6 (4), I T Towers, 10-2-3,
AC Guards, Masab Tank,
Hyderabad, Telangana

...Respondents

Date of order: 26.02.2018

Coram:

Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)

Parties / Counsels present:

For the Applicants : Shri P. Vikram, Advocate

Per: Rajeswara Rao Vittanala, Member (Judicial)



ORDER

1. The Present Company Application bearing CA (CAA) No. 213/230/HDB/2018 is filed by GOCL Corporation Limited (Applicant No.1 / Transferee Company), IDL Buildware Limited (Applicant No.2 / Transferor No.1 Company) and Gulf Carrosserie India Limited (Applicant No.3 / Transferor No.2 Company) under Section 230 to 232 of the Companies Act, 2013, by inter-alia seeking to direct convening meeting of shareholders and unsecured creditors of the Transferee Company for the purpose of considering the proposed Scheme of Arrangement between IDL Buildware Limited (Transferor Company.1) and Gulf Carrosserie India Limited (Transferor Company.2) with GOCL Corporation Limited (Transferee Company) and dispensing with conducting of the meeting of shareholders, secured and unsecured creditors of the Transferor 1 and Transferor.2 Companies.

2. Brief facts, leading to filing of the present company Application, are as follows:-

APPLICANT No.1 / TRANSFEREE COMPANY

- (1) **The Transferee Company/Applicant No.1/GOCL CORPORATION LIMITED** is a public listed Company incorporated under the provisions of the Companies Act, 1956. The Company was originally incorporated as "Indian Detonators Limited" on 20th day of April, 1961 in the State of Telangana (erstwhile Andhra Pradesh). It was earlier known as Indian Detonators Limited, IDL Chemicals Limited, IDL Industries Limited and Gulf Oil Corporation Limited respectively.
- (2) The Present Authorized Share Capital of the Transferee Company is Rs. 15,08,55,020/- (Rupees Fifteen Crores Eight Lakhs Fifty Five Thousand and Twenty Only) divided into 7,54,27,510 (Seven Crores Fifty Four Lakhs Twenty Seven Lakhs Five Hundred and Ten) Equity Shares of Rs.2/- (Rupees Two only). The Issued, Subscribed and Paid-Up Capital is Rs. 9,91,44,980/- (Rupees Nine Crores Ninety One Lakhs Forty Four Thousand Nine Hundred and Eighty Only) divided into 4,95,72,490 (Four Crores Ninety Five Lakhs Seventy Two Thousand Four Hundred and Ninety) Equity Shares of Rs.2/- (Rupees Two only) each.
- (3) The Transferee Company is primarily engaged in the business of manufacturing, marketing and technical services in industrial explosives, detonating accessories, and special devices for Defence and Space applications; GOCL under takes large scale mining services in coal, iron ore, limestone and uranium mines, contracts in the infrastructure sector such as underground metro railways, elevated highways, industrial structures/ building and develops large properties owned by it into special



economic zones, industrial parks and commercial conglomerates.

- (4) The financial summary of Transferee Company as of 31.03.2017 is given below:

SOURCES OF FUNDS:	Amount (Rs. in Lakhs)
Shareholders Fund:	
Share Capital	991.45
Reserves & Surplus	35274.63
Non-Current Liabilities:	
Long term borrowings	19.29
Other Long term Liabilities	30.16
Long term Provisions	8919.28
Current Liabilities:	
Trade payables	2190.33
Other Current Liabilities	727.42
Short term Provisions	50.68
Total	48203.24
APPLICATION OF FUNDS :	
Non-Current Assets:	
Tangible assets	27484.42
Intangible assets	23.39
Capital Work-in-progress	1311.04
Non-current investments	2950.20
Deferred tax assets (net)	94.90
Long Term Loans and advances	5031.74
Other Non-current Assets	60.47
Current Assets:	
Inventories	5156.44
Trade receivables	2756.12
Cash and bank balances	2088.58
Short-term loans and advances	1070.70
Other Current Liabilities	175.24
Total	48203.24

APPLICANT NO.2 / TRANSFEROR NO.1 COMPANY

- (5) **The Transferor Company-1/Applicant No.2/ IDL BUILDWARE LIMITED** is a Company incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on 03rd day of October, 1994 in the State of Telangana (erstwhile Andhra



Pradesh). IDLBL is currently a wholly owned subsidiary of GOCL.

- (6) The Authorised Share Capital of the Transferor Company-1 is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 25,00,000 (Twenty Five Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 2,50,000 (Two Lakhs Fifty Thousand) 8% Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred only) each.

The Present Issued, Subscribed and Paid up Capital is Rs. 3,57,00,000/- (Rupees Three Crores and Fifty Seven Lakhs Only) divided into 19,70,000 (Nineteen Lakhs and Seventy Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,60,000 (One Lakh Sixty Thousand) 8% Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred only) each.

- (7) The main objects of the Transferor Company 1, is to produce, manufacture or otherwise acquire, sell, distribute, deal in and dispose of chemical products of every nature and description and compounds, plastics and resins and other related products etc. and fly ash composed bricks blocks or related products; to carry on the business as traders, importers, exporters, intenders, manufacturer, contractor of prefab houses, partitions, trailers, pipes and pipe fittings, plumbing material, conduits, ceramic tiles, take up all maintenance services etc.
- (8) The financial summary of the Transferor Company 1 as on 31.03.2017 is given below:

SOURCES OF FUNDS	Amount (Rs. In Lakhs)
<i>Shareholders Fund:</i>	



Share Capital	357.00
Reserves and Surplus	(216.35)
<i>Non-Current Liabilities:</i>	
Other Long Term Liabilities	5.00
<i>Current Liabilities</i>	
Other Current Liabilities	1.29
Advance from Customers	5.41
Total	152.35
APPLICATION OF FUNDS	
<i>Non-Current Assets:</i>	
Tangible assets	59.84
Investments	0.18
<i>Current Assets</i>	
Inventories	8.59
Trade receivables	0.21
Cash and bank balances	28.51
Short-term loans and advances	55.02
Total	152.35



APPLICANT NO. 3/ TRANSFEROR COMPANY 2

- (9) **The Transferor Company-2/ Applicant No.3/GULF CAROSSERIE INDIA LIMITED** is a Company incorporated under the provisions of the Companies Act, 1956. The Company was originally incorporated on 08th day of June, 1994 in the State of Maharashtra and subsequently shifted its Registered Office to the State of Telangana and obtained a fresh Certificate of Incorporation from the Registrar of Companies, Andhra Pradesh and Telangana on 05.02.2016. GCIL is currently a wholly owned subsidiary of GOCL.
- (10) The Transferor Company 2 Authorised Share Capital is Rs. 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

The Present Issued, Subscribed and Paid up Capital is Rs. 40,00,070/- (Rupees Forty Lakhs and Seventy Only) divided into 4,00,007 (Four Lakhs and Seven) Equity Shares of Rs. 10/- (Rupees Ten only) each.

- (11) The main objects of the Transferor Company 2, as set out in its Memorandum of Association, are to manufacture, produce, extrude, fabricate, act as dealers, importers, exporters, and suppliers of all kinds and varieties of additives; to manufacture, produce, extrude, fabricate, act as dealers, importers, exporters, and suppliers of general all purpose, to manufacture, produce, extrude, fabricate, act as dealers, importers, exporters, converters, designers, formulators, preparers, marketers, buyers, sellers, distributors, and suppliers, of all types , kinds, varieties of additives used in car care products viz. carburetor, valve, cleaners, diesel injectors for all house - hold industries, cars and automobile industries etc.

- (12) The financial summary of the Transferor Company 2 as on 31.03.2017 is given below:

SOURCES OF FUNDS	Amount (Rs.in Lacs)
<i>Shareholders Fund:</i>	
Share Capital	40
Reserves and Surplus	(109.43)
<i>Non-Current Liabilities:</i>	
Long Term Provisions	11.11
<i>Current Liabilities</i>	
Other Current Liabilities	70.11
Total	11.79
APPLICATION OF FUNDS	
<i>Non-Current Assets:</i>	
Long term loans and advances	0.11
<i>Current Assets</i>	
Cash and bank balances	11.68
Total	11.79



3. The acquisition, integration and consolidation of the Transferor Company-1 and Transferor Company-2 with the Transferee Company would have the following benefits:
 - a. The arrangement would result in better and efficient utilization of resources of the Transferor Companies and Transferee Company, reduction in overheads and other expenses and create a stronger base for future growth of the amalgamated entity.
 - b. To have better administrative and managerial control for the management, as the merger of the companies would ensure synergy in administration and management.
 - c. The Transferee Company will derive and avail the benefits of assets of the Transferor Companies, thereby increasing its financial strength and enhance the value of its business and asset base to result in maximization of shareholders wealth.
 - d. The proposed Arrangement in general will have beneficial results for the Companies, their shareholders, employees and all other stakeholders.
4. The following are brief terms of Scheme of Amalgamation:-
 - (a) The Appointed date for the purpose of this scheme is 01.10.2017.
 - (b) Upon the Scheme become effective, all properties and liabilities of Transferor Companies with effect from the appointed date, become the properties of the Transferee Company by virtue of Amalgamation.
 - (c) After the appointed date, any proceedings taken against the Transferor Companies the same shall be defended by and at the cost of Transferee Company.
 - (d) Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Companies in service as at the end of the Transition period shall



be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Companies as at the end of the Transition period.

- (e) Since the Transferor Companies are wholly owned subsidiaries of the Transferee Company and the entire equity shares of the Transferor Companies are held by the Transferee Company and its nominees. Accordingly, there would be no issue of equity shares of the Transferee Company to the shareholders of the Transferor Companies. Pursuant to the vesting of the undertakings of the Transferor Companies in the Transferee Company, the equity shares of the Transferor Companies held by the Transferee Company, shall automatically stand cancelled. Necessary entries will be made in the books of accounts of the Transferee Company to reflect the investments made in the Transferor Companies.
- (f) The Scheme does not involve any compromise with any Creditors of the Transferor and Transferee Companies and will not affect any of the Creditors in any manner.
- (g) On the Scheme becoming effective, the Transferor Companies shall stand dissolved, without going through the process of winding up.

5. The Board of Directors of the Applicant companies at the meetings held on 13th September, 2017 approved the said Scheme of Amalgamation subject to the approval of this



Tribunal. The Board of Directors of the Applicant companies has no material interest in the proposed scheme of amalgamation except in the capacity of share holders.

6. It is further submitted that the Applicant No.1/Transferee Company has 03 secured creditors amounting to Rs.6,29,21,349/- as on 30.11.2017 as per the details given below:-

S.No.	Name	Amount
1.	State Bank of India CAG Branch, Hyderabad	4,48,87,625.00
2.	IDBI Bank Limited, Chapel Road, Hyd	1,51,87,087.00
3.	HDFC Bank Ltd. Begumpet, Hyderabad	28,46,636.00
	TOTAL	6,29,21,349.00



Hanumantha Rao & Co., Chartered Accountants vide their certificate dated 12.12.2017 have certified above Secured Creditors as on 30.11.2017. The above **Secured creditors** have given their no-objection to the proposed scheme vide their letters dated 04.12.2017, 06.12.2017 and 08.12.2017 respectively.

Further they have also certified on 12.12.2017 that there are 338 **Unsecured Creditors** (Trade creditors) amounting to Rs. 1,04,944,164.00 and four (04) **Security Deposit** amounting to Rs.33,18,000.00.

7. It is further certified by the aforementioned Chartered Accountants on 12.12.2017, that there two (02) **Unsecured Creditors** viz IDL Explosives Ltd and Sai Krupa Security Services & House Keeping amounting to Rs. 5,19,600.00. There is no **Secured Creditor** in Applicant No.2 / Transferor No-1 Company) and both the Unsecured creditors vide their sworn affidavits dated

18.12.2017 and 19.12.2017 have given their consent to the Scheme.

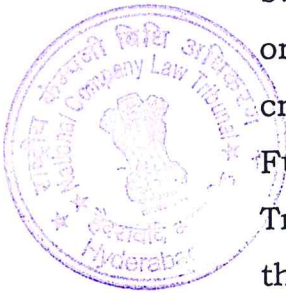
8. The same Chartered Accountants on 12.12.2017 have certified that there are 02 (Two) **Unsecured Creditors** namely GOCL Corporation Ltd and Ravi & Subramanyam Company Secretaries amounting to Rs. 70,15,153.00 and no **Secured Creditor** in Applicant No.3 / Transferor No.2 Company. Both the above unsecured creditors vide their sworn affidavits dated 07.12.2017 and 20.12.2017 respectively, have given their consent to the Scheme
9. It is further submitted that no petition under section 241 of the Act has been filed against the Applicant Companies and there has been no material change in the affairs of the applicant company except what was done in the normal course of business.
10. There are no proceedings pending under section 210 to 229 of the Companies Act, 2013, against the Applicants/transferors/Transferee companies
11. Heard Shri P. Vikram, Learned Counsel for the Applicant Companies and perused all the material papers in support of the Application.
12. The Applicant Companies are stated to be following all provisions of Companies Act, 2013, and rules made thereunder and the Scheme in question prima facie satisfied fundamental requirements for its sanction, however subject to approval of secured/unsecured creditors, all stake holders and finally NCLT.
13. The Learned Counsel for the Applicant Companies while reiterating the above contentions made in the applications, has further submitted that there are 03 (three) secured creditors in the Transferee Company and three of them have given their written consent to the proposed scheme The Transferee Company has 343 unsecured creditors and



approximately 38,000 shareholders and as such the Learned Counsel urged this Tribunal to order convening meetings of unsecured creditors and shareholders for the purpose of considering and approving the Scheme of Arrangement. Further the Transferee Company has four (04) Secured Creditors and they have given their consent for the proposed scheme.

14. The Learned Counsel also submitted that there are 7 shareholders each in Transferor No.1 and Transferor No.2 Companies and they have given their consent by way of sworn affidavits. Hence, there is no necessity again to order conducting further meetings. There are no secured creditors in both Transferor No.1 and 2 Companies. Further, there are two unsecured creditors each in Transferor No.1 and 2 Companies and they have given their consent for the proposed scheme.

15. I have also perused all the supporting documents filed in support of Company application along with extant provisions of Companies Act, 2013. The proposed scheme in question prima facie satisfy that it is fit matter to put the proposed scheme before the concerned parties including stake holders, general public by way of proper notice. Since 100% of the Unsecured Creditors of Transferor No.1 & 2 companies have given their consent to the scheme in question, it would not serve any purpose again to order notice to parties. Since there are no secured creditors in the Transferor 1 & 2 Companies there is no necessity to dispense with their meetings. Further, since the Transferee Company has 343 unsecured creditors and approximately 38000 shareholders, it is imperative to convene meetings of shareholders and unsecured creditors for the purpose of considering and approving the Scheme. The Transferee Company has four



secured creditors and all four have given their consent by way of sworn affidavits. The Applicant Companies are stated to be following all provisions of Companies Act, 2013, and rules made thereunder and the Scheme in question prima facie satisfied fundamental requirements for its sanction, however subject to approval of secured/unsecured creditors, all stake holders and finally NCLT. In any case, dispensing with meeting in question would not deprive any aggrieved party to approach this Tribunal at any point of time, when the approval of scheme in question finally come for consideration. Therefore, the Company applications deserve to be disposed of with necessary directions in the interest of justice and ease of doing business.



16. By exercising the powers conferred on this Tribunal under U/S 230 to 232 of the Companies Act, 2013 R/w Companies (Compromises, Arrangements and Amalgamations) Rules, 2016), the Company Application bearing CA (CAA) No.213/230/HDB/2018, is disposed of with the following directions:-

- (a) Hereby dispensed with convening the meeting of the shareholders of the Transferor No.1/ Transferor No.2 Companies.
- (a) Hereby dispensed with convening the meeting of the Secured and Unsecured Creditors of the Transferor No.1 and Transferor No.2 Companies.
- (b) Hereby appointed Dr K Lakshmi Narasimha, Ph.D, Advocate, R/o H.No 16-11-20/13, Saleem Nagar-2, Opp. Tahsildar Office/MRO Bhavan, Near TV Tower Malakpet, Hyderabad-500036 Telangana (Telephone Nos. 04024549001/04024549110) as Chairperson to convene and hold meeting of shareholders of the

Applicant / Transferee Company for the purpose of considering the proposed Scheme.

- (c) Hereby appointed S. Srinivasa Rao, Advocate, Flat No.302, D.No.6-3-68 Prem Nagar, Khairtabad, Hyderabad-04 (Mob. 9441032446) as Chairperson to convene and hold meeting of unsecured creditors of the Applicant / Transferee Company for the purpose of considering the proposed scheme.
- (d) Further directed to issue notice to the Shareholders and Unsecured Creditors of the Applicant / Transferee Company in accordance with the provision of Section 230 (3) of the Companies Act, 2013 and also cause publication of the notice in newspapers calling the meetings of Shareholders and Unsecured Creditors of Applicant / Transferee in Business Standard (English) and Andhra Prabha (Vernacular).
- (e) Venue of the meeting of Shareholders of the Applicant / Transferee Company to be conducted is The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004 on **20.04.2017 at 10.30 am.**
- (f) Venue of the meeting of Unsecured Creditors of the Applicant / Transferee Company to be conducted is The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004 at **20.04.2017** at 2 pm.
- (g) Further directed the Company to ensure substantial representation during the meeting so as to get minimum 75% of total shareholders and Unsecured Creditors consent for the proposed scheme to be considered later by the Tribunal.





- (h) Fee fixed for Chairperson is Rs.75,000/- (Rupees seventy five thousand only) for each meeting which is agreed to be paid by the Learned Counsel for the Company.
- (i) Direct the Chairpersons to file his report within two weeks' of conducting of meeting.

Sd/-
RAJESWARA RAO VITTANALA
MEMBER (JUDICIAL)

G. Anantha Kumar
for Dy. Regr./Asst. Regr./Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER. CAA/CAA No. 213/230/HDB/2018
निर्णय का तारीख
DATE OF JUDGEMENT. 26.2.2018
प्रति तैयार किया गया तारीख
COPY MADE READY ON. 6.3.2018