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**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

PRESENT: HON'BLE SHRI RATAKONDA MURALI- MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 17.09.2018 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CA(CAA) No.891/230/HDB/2018
NAME OF THE COMPANY	Madevsag Retail Pvt Ltd (Transferor Co.)
NAME OF THE PETITIONER(S)	
NAME OF THE RESPONDENT(S)	
UNDER SECTION	230

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
D.V.M. Kopal	PCS Kot	dvmpopal@gmail.com 7849153620	D.V.M.Kopal

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

Common Orders passed vide separate order


Member(Judl)

Pavani

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

CA (CAA) NO. 891/230/HDB/2018
&
CA (CAA) NO. 893/230/HDB/2018

U/s 230 to 232 of the Companies Act, 2013
R/w Rule 3 of Companies (Compromises,
Arrangements and Amalgamations) Rules, 2016.

In the matter of Scheme of Amalgamation

Between

Madevsag Retail Private Limited (Transferor Company)

And

EKGE Retail Private Limited (Transferee Company)

Madevsag Retail Private Limited
Registered Office at H.No.8-2-309/B/1,2,
Road No.14, Banjara Hills,
Hyderabad - 500034,
Telangana, India.

Applicant Company/Transferor Company
CA (CAA) NO. 891/230/HDB/2018

AND

EKGE Retail Private Limited
Registered Office at H.No.8-2-309/B/1,2,
4th Floor, Road No.14, Banjara Hills,
Hyderabad - 500034,
Telangana, India.

Applicant Company/Transferee Company
CA (CAA) NO. 893/230/HDB/2018

Date of order: 17.09.2018

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Counsels / Parties Present

For the Applicants : Mr.D.V.M.Gopal, PCS

Per: Hon'ble Shri Ratakonda Murali, Member (Judicial)



Heard on: 07.09.2018

COMMON ORDER

1. The present Company Applications bearing CA(CAA)NO. 891/230/HDB/2018 and CA (CAA) NO. 893/230/HDB/2018 are filed by Madevsag Retail Private Limited (Transferor Company) and EKGE Retail Private Limited (Transferee Company) respectively, under Section 230-232 of the Companies Act, 2013 praying for an order for dispensation of holding of meetings of equity shareholders of Applicant Companies for the purpose of considering the proposed scheme of Amalgamation between Applicant/Transferor Company with the Applicant/Transferee Company. The Registered Offices of the applicant Companies are situated in the State of Telangana and therefore, they are within the jurisdiction of this Tribunal.
2. The averments made in the application are briefly described as under:

Transferor Company:

- a. **Madevsag Retail Private Limited** (Applicant No. 1/ Transferor Company) was incorporated on the 23rd of March, 2017 under the provisions of the Companies Act, 2013 bearing CIN U52609TG2017PTC116102. The registered office of the Applicant Company is situated at H.No.8-2-309/B/1,2, Road No.14, Banjara Hills, Hyderabad - 500034, Telangana, India.
- b. The Main Objects of the Applicant/Transferor Company are set out in Clause III of its Memorandum of Association which is annexed here with as Annexure A.1. The main objects of the company are to run either by hand or by power and to acquire any such rights of easement, interest, land or to carry on any of the business of import, export, market, trade and do business of wholesale, retail, stockiest, distributors, C&F Agents in all types of clothing, dress material, sarees, silk sarees, designer, collection and all types of sarees, shirting, readymade cloth

wear, knitted clothes, worsted suitings, otherwise manufacture, buy and sell and deal in linen, cloth, and other goods and fabrics whether textile, felted, netted or looped.

3. The share capital structure of the Applicant/Transferor Company as on 31st March 2018 is as under:

Particulars	Amount (in INR)
<u>Authorized</u> 50,10,000 Equity shares of INR 10 each	5,01,00,000
<u>Issued, subscribed and paid-up</u> 20,10,000 Equity shares of INR 10 each, fully paid up	2,01,00,000

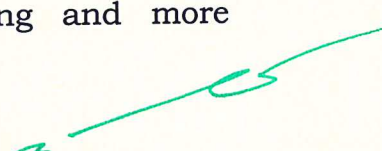
Transferee Company

- a. **EKGE Retail Private Limited**, (Applicant 2/ Transferee Company) was incorporated as a Private Limited Company under the provisions of the Companies Act, 2013 in the State of Telangana on 21st of March, 2018 pursuant to the Certificate of Incorporation Number U52609TG2018PTC123214 issued by the Registrar of Companies, Telangana and Andhra Pradesh.
- b. The Main Objects of the Applicant/Transferee Company are set out in Clause III of its Memorandum of Association which is annexed here with Annexure – A1. The main objects of the company are to run either by hand or by power and to acquire any such rights easement, interest, land or to carry on any of the business of import, export, market, trade and do business of wholesale, retail, stockiest, distributors, C&F Agents in all types of clothing, dress material,

sarees, silk sarees, designer, collection and all types of sarees, shirting, readymade cloth wear, knitted clothes, worsted suitings, otherwise manufacture, buy and sell and deal in linen, cloth, and other goods and fabrics whether textile, felted, netted or looped.

- c. The share capital structure of the Applicant/Transferee Company as on 31st March 2018 is as under:

Particulars	Amount (in INR)
<u>Authorized</u> 10,000 Equity shares of INR 10 each	1,00,000
<u>Issued, subscribed and paid-up</u> 10,000 Equity shares of INR 10 each, fully paid up	1,00,000

4. The Board of Directors of the Applicant Companies in their respective Board Meetings held on 25th July, 2018 have approved the Scheme of Amalgamation, by virtue of which the entire assets of the Transferor company will be merged, transferred and vested in the Transferee company, as a going concern. A copy of the aforesaid Board Resolution passed by the Board of Directors of the Applicant Companies is annexed herewith and marked as **Annexure A3**. The Scheme of Amalgamation will take effect from the Appointed Date (i.e. 1st April 2018). The Scheme of Amalgamation is annexed and attached hereto as **Annexure A4**.
5. The proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company is having the following benefits.
- A. The amalgamation will enable appropriate consolidation of activities of Applicant/transferor Company and Applicant/Transferee Company with pooling and more
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efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.

- B. To achieve consolidation, greater integration and financial strength and flexibility which will maximize overall shareholder value and improve the competitive position of the combined entity.
 - C. To achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity, which can be deployed more effectively to fund organic and inorganic growth opportunities.
 - D. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.
6. In view of the above rationale, the Board of Directors of the respective applicant companies involved in the Amalgamation thought it fit to amalgamate the Transferor Company into the Transferee Company.
 7. It is further averred that no investigation proceedings are pending u/s 210 of the Companies Act, 2013 against the Applicant Companies. It is further submitted that Scheme is not prejudicial to the interest of the Equity Shareholders of the Applicant Companies. It is further submitted that the proposed Scheme of Amalgamation will be beneficial to the Transferor Company and Transferee Company and their respective Shareholders.
 8. The applicant Companies has filed certificate of auditor stating that as on 25.07.2018 there are 6(six) Equity shareholders in both Transferor Company and Transferee Company. All the Equity Shareholders have given their consent in the form of affidavits agreeing to the proposed Scheme of Amalgamation. The consent affidavits of the Equity Shareholders of the Applicant Companies are marked and annexed as Annexure **A8**



in both the Transferor Company and Transferee Company petitions.

9. It is further averred that a Certificate issued by the Statutory Auditor of the Applicant Companies certifying that there are no outstanding secured/unsecured/ Trade creditors in the Companies is marked and annexed as **Annexure A6**.
10. In the light of above facts, the Applicant Companies prays for the following reliefs:-
 - (a) To dispense with the convening, holding and conducting of a meeting of the Equity shareholders of the Applicant Companies.
 - (b) Pass such other order or orders as the Tribunal may deem fit and proper in the circumstances of the case
11. I have heard the PCS and I have seen the consent Affidavits filed by shareholders of the Applicant Companies.
12. After hearing PCS and after perusing the documents filed, I pass the following order:-
 - (a) Hereby dispensed with convening the meeting of equity shareholders of the Applicant Companies.
 - (b) In any eventuality when the Applicant Companies approach this Tribunal for seeking approval of the Scheme, it would be open for any person who is interested in the Scheme of Amalgamation to put forth their contentions before this Tribunal.


RATAKONDA MURALI
MEMBER (JUDICIAL)