

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH**

C.P. (CAA)/1683/MB/2018

In

CSA No. 62 of 2018

In the matter of Companies Act, 2013

AND

In the matter of Section 230 to Section 232 of the
Companies Act, 2013 and other applicable
provisions of the Companies Act, 2013

AND

In the matter of Composite Scheme of
Amalgamation and Arrangement of Chettinad
Earth Movers Private Limited (First Transferor
Company) and Chettinad Hospitals Private
Limited (Second Transferor Company) and
Chettinad Software Services Private Limited
(Third Transferor Company) and Chettinad
Security Services Private Limited (Fourth
Transferor Company / Petitioner Company) and
Chettinad Logistics Private Limited (Demerged
Company) with Marvel Cements Private Limited
(Transferee Company / Resulting Company) and
their Respective Shareholders and Creditors.

Chettinad Security Services Private Limited

... Petitioner Company / Fourth Transferor Company

Order delivered on 30th day of August, 2018

Coram:

Hon'ble Bhaskara Pantula Mohan, Member (J)

Hon'ble V. Nallasenapathy, Member (T)

For the Petitioners: Mr. Ajit Singh Tawar i/b Ajit Singh Tawar & Co., Advocates
for Petitioners

For the Regional Director: Mr. S. Ramakantha, Joint Director.

For the Official Liquidator: Mr. M. N. Mangutkar, Representative from OL.

Per: - Bhaskara Pantula Mohan, Member (J)

ORDER

1. Heard the learned Counsel for the Petitioner Company. None appears before the Tribunal to oppose the Scheme or to contravene averments made in the Petition.
2. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to a Composite Scheme of Amalgamation and Arrangement of Chettinad Earth Movers Private Limited (First Transferor Company) and Chettinad Hospitals Private Limited (Second Transferor Company) and Chettinad Software Services Private Limited (Third Transferor Company) and Chettinad Security Services Private Limited (Fourth Transferor Company) and Chettinad Logistics Private Limited (Demerged Company) with Marvel Cements Private Limited (Transferee Company / Resulting Company) and their Respective Shareholders and Creditors.
3. The Petitioner Company has approved the said Composite Scheme of Amalgamation and Arrangement by passing the Board Resolution, which is annexed to the Company Scheme Petition.
4. The Learned Counsel for the Petitioner state that the petition has been filed in consonance with the order passed in the Company Scheme Application No. 62 of 2018 of National Company Law Tribunal, Mumbai Bench.
5. The Learned Counsel for the Petitioner states that the Registered office of Other Companies except Petitioner Company as aforementioned is in the State of Tamil Nadu the Jurisdiction for hearing the petitions of Chettinad Earth Movers Private Limited (First Transferor Company) and Chettinad Hospitals Private Limited (Second Transferor Company) and Chettinads Software Services Private Limited (Third Transferor Company) and Chettinad Logistics Private Limited (Demerged Company) and Marvel Cements Private Limited (Transferee Company / Resulting Company) is with National Company Law Tribunal, Chennai Bench.

6. The Learned Counsel for Petitioner further states that the Petitioner Company have complied with all requirements as per directions of National Company Law Tribunal, Mumbai Bench. Moreover, the Petitioner Company undertake to comply with all the statutory requirements if any, as required under Companies Act 2013 and the rules made thereunder. The said undertaking is accepted.
7. The Learned Counsel for the Petitioner Company submits that the Petitioner Company is engaged in the business of providing Security services to its groups concerns and the basic purpose behind the vision was to raise an organization within own group to provide more intimate, dedicated, dynamic, responsive, and effective security to all units of Chettinad and others.
8. The merger of the Petitioner Company and other Transferor Companies with the Transferee Company would, inter-alia, have the following benefits:-

Offer opportunities to the management of the Transferor Companies and Transferee Company to vigorously pursue growth and expansion opportunities, enhancement of net-worth of the combined business to capitalise on future optimal utilisation of resources and better administration and cost reduction, efficient utilization of funds and create a stronger base for future growth of the combined entity, simplifying and streamlining of activities, investments which are ancillary to each-others businesses and a consequential reduction in management time and efforts, greater efficiency in cash management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to further improve shareholder's value, reduction in multiplicity of regulatory and legal compliances / filings including accounting, reporting requirements, statutory and internal audit requirements, tax filings, etc and consequential reduction in administrative costs of all the companies, improved organisational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to complete successfully in an increasingly regulated and competitive industry.

9. The Regional Director has filed its report dated 1st day of August, 2018 and has stated that save and except as stated in paragraph IV (a) to (e) of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

Paragraph IV, of the said report reads as follows:

- (a) *In addition to compliance of AS-14 (IND AS-103) the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.*
- (b) *As per Part-1 Definition Clause 1.1.2 of the scheme. "Appointed Date" means 1st April 2016 or such other date as may be fixed by the NCLTs. In this regard, it is submitted in terms of provisions of section 232(6) of the companies Act, 2013 it should be 1st April, 2016.*
- (c) *As per Part-1 Definition Clause 1.1.10 of the scheme. "Effective Date" means the date or the last of the dates on which the certified/ authenticated copy of the order of the National Company Law Tribunals [NCLT's], Chennai and Mumbai sanctioning this scheme is filed with the jurisdictional Registrar of Companies by the Transferor companies, Demerged company and the Transferee/Resulting Company. In this regard it is submitted that the Effective Date as per provisions of section 232(6) of the Companies Act, 2013 and not as mentioned in the above said clause of the scheme.*
- (d) *As regard Part-IV, Clause 18 of the scheme (Combination Of Authorised Share Capital), and (the fee payable by the Transferee Company shall be in accordance with the provisions of Section 232(3)(i) of the Companies Act,2013.)*
- (e) *Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed the company application and Company Petition, are one and same and there is no discrepancy/any change/changes are made, for changes if any,*

liberty be given to the Central Government to file further report if any required.

10. In so far as the observation made in paragraph IV (a) of the Report of Regional Director is concerned, the Petitioner Company through its counsel submits that the Transferee Company shall comply with AS-14 (IND AS-103) and the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.
11. In so far as the observation made in paragraph IV (b) of the Report of Regional Director is concerned, the Petitioner Company through its counsel undertakes that the Appointed Date shall be 1st day of April 2016 and that Scheme will deemed to be effective from such appointed date.
12. In so far as the observation made in paragraph IV (c) of the Report of Regional Director is concerned, the Petitioner Company through its counsel undertakes that the effective Date shall be 1st day of April 2016 which is in compliance with Section 232(6) of the Companies Act, 2013 and further submits that the similar orders sanctioning the Scheme are sought from Hon'ble National Company Law Tribunal at Chennai by other Transferor companies, Demerged company and the Transferee / Resulting Company vide Company Scheme Petition filing number No. 1660 of 2018 to 1664 of 2018 and the said order shall be filed with the concerned Registrar of Companies as per Clause 1.1.10 of the Scheme which is compliance with Section 232(5) of the Companies Act, 2013.
13. In so far as the observation made in paragraph IV (d) of the Report of regional director is concerned, the Counsel for the Petitioner Company undertakes that the fee payable by the Transferee company with regard to Combination of Authorised Capital as per clause 16 of the Scheme shall be in accordance with the provisions of section 232(3)(i) of the Companies Act, 2013.
14. In so far as the observation made in paragraph IV (e) of the Report of Regional Director is concerned, the Petitioner Company through its counsel submits that the Composite Scheme of Amalgamation and

Arrangement was modified in the shareholders meeting held on 20th April, 2018 by amending the table under Clause no 4 of the Scheme by correcting number of shares appearing under the captioned of Existing Number of Equity Shares of Rs. 10/- each in respect of Third Transferor Company, from 15,00,000 to 12,75,000 and deletion of the words "in respect of every 1(One) Equity Share of face value of Rs. 10/- each fully paid-up" from Clause no. 7 pertaining to consideration for Demerger of the Composite Scheme of Amalgamation and Arrangement and the same is annexed to the Company Scheme Petition. The Counsel further submits that the aforesaid modification is with respect to Third Transferor Company, Demerged Company and Resulting Company and no material changes are done to the Scheme of Merger by Absorption and Arrangement in respect of the Petitioner Company.

15. The observations made by the Regional Director have been explained by the Petitioner Company in Paragraph 10 to 14 above. The clarifications and undertakings given by the Petitioner Company are accepted.
16. The Official Liquidator has filed his report dated 24th day of August, 2018 stating therein that, the affairs of the Petitioner Company has been conducted in a proper manner and the said Scheme is not prejudicial to the interest of public and that the Petitioner Company may be ordered to be dissolved without winding up by this Tribunal.
17. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of Law and is not contrary to public policy.
18. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. C.P. (CAA)/1683/MB/2018 filed by the Petitioner Company is made absolute in terms of prayer clause (a) of the Company Scheme Petition.
19. Petitioner Company is directed to lodge a certified / authenticated copy of this order and the Scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 working days from the date of the receipt of the

certified copy of the Order, for the purpose of adjudication of stamp duty payable, if any on the above.

20. Petitioner Company is directed to lodge a certified copy of this order along with the copy of Composite Scheme of Amalgamation and Arrangement with the concerned Registrar of Companies, electronically, along with e-form INC-28 in addition to the physical copy within 30 days from the date of issuance of the certified copy of the Order by the Registry, duly certified by the Deputy Director or the Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.

21. The Petitioner Company to pay cost of Rs. 25,000/- to the Regional Director, Western Region, Mumbai, cost to be paid within four weeks from the date of this Order.

22. The Petitioner Company to pay cost of Rs. 25,000/- to the Official Liquidator, Mumbai, cost to be paid within four weeks from the date of this Order.

23. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Deputy Director or the Assistant Registrar, as the case may be, National Company Law Tribunal, Mumbai Bench.

SD/-

V. NALLASENAPATHY
MEMBER (T)

SD/-

BHASKARA PANTULA MOHAN
MEMBER (J)