

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH, CHENNAI**

**CP/160, 161 & 162/CAA/2018  
[CA/58, 59 & 60/CAA/2018]**

**Under Sections 230 to 232 of the Companies Act, 2013  
In the matter of a Composite Scheme of Arrangement  
Including “Amalgamation” and “Demerger”**

**Between**

**M/s. PLUTO TRADE LINKS LIMITED  
(Transferor Company)**

**And**

**M/s. GKS HOLDINGS LIMITED  
(Demerged Company)**

**With**

**M/S. GKS LOGISTICS PRIVATE LIMITED  
(Transferee Company/ Resulting Company)**

**And**

**Their Respective Shareholders**

**Order delivered on: 05.09.2018**

**Coram:**

**K. Anantha Padmanabha Swamy, Member (Judicial)**

**S. Vijayaraghavan, Member (Technical)**

For the Petitioners: Shri R. Sankarnarayanan, Senior Advocate  
Shri. N. P Vijay Kumar, Advocate

**ORDER**

**Per: K. ANANTHA PADMANABHA SWAMY, MEMBER (J)**

1. Under consideration are three Company Petition nos. 160, 161 & 162/CAA/2018 filed under section 230 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules 2016. The instant petitions pertain to the proposed Composite scheme of Arrangement (including “Amalgamation” and “Demerger” by virtue of

which M/s. Pluto Trade Links Limited (hereinafter referred to as “**Transferor Company**”) and M/s. GKS Holdings Limited (hereinafter referred to as “**Demerged Company**”) are proposed to be demerged, amalgamated with M/s. GKS Logistics Private Limited (hereinafter referred to as “**Transferee Company/Resulting Company**”) as a going concern.

2. The details of Share Capitals, Shareholders, Secured & Unsecured Creditors of the Companies are as under:

Particulars	Descriptions of share Capital	(Amount in Rs)	Equity Share-holders	Secured Creditors	Unsecured Creditors
Transferor Company	<b>Authorised Share Capital</b>		34	Nil	Nil
	7,50,000 Equity Shares of Rs. 10/- each	75,00,000			
	25,000 15% Non-cumulative Redeemable Preference Shares of Rs. 100/- each	25,00,000			
	<b>Total</b>	<b>1,00,00,000</b>			
	<b>Issued, Subscribed and Paid-up Capital</b>				
	5,24,940 Equity Shares of Rs. 10/- each	52,49,400			
	<b>Total</b>	<b>52,49,400</b>			
Demerged Company	<b>Authorised Share Capital</b>		35	Nil	Nil
	35,00,00 Equity Shares of Rs. 10/- each	35,00,000			
	15,000 15% Non-cumulative Redeemable Preference Shares of Rs. 100/- each	15,00,000			
	<b>Total</b>	<b>50,00,000</b>			
	<b>Issued, Subscribed and Paid-up Capital</b>				
	2,75,466 Equity Shares of Rs. 10/- each	27,54,660			
	<b>Total</b>	<b>27,54,660</b>			
Transferee Company/ Resulting Company	<b>Authorised Share Capital</b>		3	Nil	Nil
	237000 Equity Shares of Rs. 100/- each	2,37,00,000			
	11,00,000 15% Preference Shares of Rs. 10/- each	1,10,00,000			
	<b>Total</b>	<b>3,47,00,000</b>			
	<b>Issued, Subscribed and Paid-up Capital</b>				
	14,129 Equity Shares of Rs. 100/- each	14,12,900			
	<b>Total</b>	<b>14,12,900</b>			

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3. Both Transferor and Demerged Companies are Public Limited Company, having their registered office at Rosy Tower, 3<sup>rd</sup> Floor, 8, Mahatma Gandhi Road, Chennai-600034, Tamil Nadu. The Transferor Company is engaged *inter alia* in the business of trading, dealing, importing, exporting, buying and selling part components and accessories of motor vehicles, cycles, 2-wheelers and heavy and moving equipments and machines and in diesel and electrical generators, nut bolts, hardware items, diesel engines, oxygen and industrial gases, electrical fitting goods, tea, papers of all kinds Katha, Khair, food grains including edible oils, electronic goods such as television sets, radios, two-in- one, tape records, video cassette records, textile, cotton, silk, rayon fibres synthetic woollen, yarn, threads, garments, hosiery goods etc. The Demerged Company is engaged *inter-alia* in the business of purchase or resale of investments and to deal in land and house and other property of any tenure and any interest therein and to create, sell and deal in freehold and leased ground rents and acquire lands, house buildings and to let them out lease, rent, contract or any agreement as may be deemed fit by the company and acquire exchange, investment, buy, sell, hold, transfer hypothecate, deal in and dispose of any shares, stocks, debentures etc.
4. The Transferee/Resulting Company is a Private Limited Company, having its registered office at No. 8, Mahatma Gandhi Road, Chennai-600034. The Transferee/ Resulting Company is engaged *inter-alia* in the business of

trading in India or elsewhere in one or more of all the business, namely automobile spares and components, electronic goods and equipment, cement industries, ceramic Industries, refractories, to carry on the business as packers, Traders, Commission agents, Business Agents, Selling Agents and to act as export House and real estate by purchase, sale, letting out and to establish, organize, manage, run, charter, conduct, contract, develop, handle, own operate etc. The Board of Directors of the Transferor, Demerged and Transferee/Resulting Companies vide their resolutions dated 24.01.2018 approved the said Scheme of Amalgamation.

5. This Bench vide its order dated 13.04.2018 in CA/58,59 & 60/CAA/2018 dispensed with the convening and holding the meeting of the Equity Shareholders of the Transferor/Demerged Companies and the Transferee/Resulting Company under the provisions of Section 230(9) of the Companies Act, 2013. The Petitioner Companies complied with all the orders passed by the Bench.
6. The learned counsel appearing for the Petitioner Companies submitted that the rationale and circumstances that have necessitated the proposed scheme of Arrangement including **“Amalgamation”** and **“Demerger”** is the petitioner companies are common promoters; Promoters of those companies were contemplating to consolidate all the operations and business other than the Business relating to **“Immovable Property”** under one company; the composite scheme of arrangement is proposed to bring

about consolidation of business, efficiency in operation and to prevent overlapping of cost, by amalgamating the Transferor Company with Transferee Company and demerging “other than Immovable Property Business” of demerged company into Resulting Company; the scheme of the arrangement would synergize operations of the consolidated Companies as one entity; the scheme is in interest of all the stakeholders and would ensure revenue accretion in the long run to the merged entity. He further submitted that no investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

7. The learned counsel further submitted that the equity shares of the Petitioner Companies are not listed with the stock exchanges, thus the Petitioner Companies do not require compliance of Listing Agreement or SEBI Rules/Regulations.
8. The Regional Director, Southern Region (in short ‘RD’) in the Report Affidavit (for brevity, ‘Report’) dated 24.07.2018 submitted that as per records of RoC, Chennai, the Petitioner Companies involved in this composite scheme of arrangement/ amalgamation are regular in filing their statutory returns and no investigation was pending against the Companies. It was further submitted in the report that Clause 5 of Part-II and Part-III of the Scheme of the companies provides for the protection of the interest of the employees of the Transferor Company and the demerged

undertaking and in Clause 13 of Part-II of the Scheme, the Transferee/Resulting Company proposes to merge the authorised capital of the Transferor Company with its authorised share capital and as per clause 13 of the scheme has proposed to reorganize the share capital of the Transferee company post amalgamation/arrangement from the present Rs. 100/- per share equity shares into Rs. 1/- per share hence the Transferee Company may be directed to file the amended MoA & AoA with the RoC, Chennai. Therefore, the RD has decided not to make any objection.


9. With regard to observation made by the RD in para 8 & 9 of his Report, the Transferee Company has filed an affidavit stating that the fee paid by the Transferor Company on their authorised capital is to be set off against any fee payable by the Transferee Company. The Transferee/Resulting Company also undertook to comply with the requirements as set out under Section 232(3)(i) of the Companies Act, 2013. However as the fees paid by the Transferor Company on the increased authorised share capital was more than the fees required to be paid by the Transferee Company on the increase in the authorised share capital, no fees would be required to be paid by the Transferee Company on the increased authorised share capital, pursuant to the scheme.
10. The Official Liquidator (In short, 'OL') in its report dated 11<sup>th</sup> July, 2018 submitted that M/s. Muthuram Associated, Chartered Accountants (Auditor) appointed on the order of this Tribunal, have scrutinized the

books and accounts of the Transferor Company. The Auditor observed that the Transferor Company has maintained and written up all the statutory books in accordance with normally accepted accounting principles and policies in accordance with the requirements of the Companies Act, 2013 and also the affairs of the company have not been conducted in a manner prejudicial to the interest of its members, creditors or to public interest.

11. The OL further submitted that the said scheme, as per clause 11.1 of the scheme, upon the scheme coming into effect, and upon the transfer to and vesting of the undertaking of the Transferor Company in the terms of the Scheme, the shareholders of the Transferor Company shall be issued 17,335 fully paid equity shares of Rs. 1/- each of the Transferee Company for every 10000 (Ten Thousand) fully paid equity shares of Rs. 10/- each held by the shareholders of the Transferor Company. The valuation of shares of the Transferor Company and Transferee Company has been done by M/s. Guru & Ram, LLP, Chartered Accountant. The OL has submitted that the company petitions may be decided on merits.

12. Further perusal of the Scheme would show that the accounting treatment is in conformity with the established Accounting Standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed Scheme is sanctioned. The said Scheme of Arrangement and Amalgamation will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of the any class of the

creditors in any manner. **The Appointed Date of the said Scheme is 1<sup>st</sup> April, 2017.**

13. There is no additional requirement for any modification and the said Scheme of Arrangement and Amalgamation appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory requirements of section 230 to 232 of the Companies Act, 2013 are complied with. Taking into consideration the above facts, the Company Petition is allowed and the scheme of Amalgamation annexed with the petition is hereby sanctioned which shall be binding on the members, unsecured creditors and shareholders of Transferor, Demerged and Transferee Companies.
14. While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.
15. The Companies to the said Scheme or other person interested shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.
16. The Transferor Company shall be dissolved without winding up from the date of the filing of the certified copy of this order with the Registrar of Companies. 

17. The Petitioner Companies shall file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.
18. The Order of sanction to this Scheme shall be prepared by the Registry as per the format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14<sup>th</sup> December, 2016.
19. Accordingly, the Scheme stands sanctioned and CP/160, 161 & 162/CAA/2017 stand disposed of.



**S. Vijayaraghavan**  
**Member (Technical)**



**K. Anantha Padmanabha Swamy**  
**Member (Judicial)**

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