

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

**T.P. No. 41/NCLT/AHM/2017 (New)
Madhya Pradesh High Court C.P. No. 32/2016 (Old)**

Coram:


**Present: Hon'ble Mr. BIKKI RAVEENDRA BABU
MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 15.06.2017**

Name of the Company: Jaideep Ispat and Alloys Pvt.Ltd.

Section of the Companies Act: Section 391-394 of the Companies Act, 1956

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
--------------	-------------------------------	--------------------	-----------------------	------------------

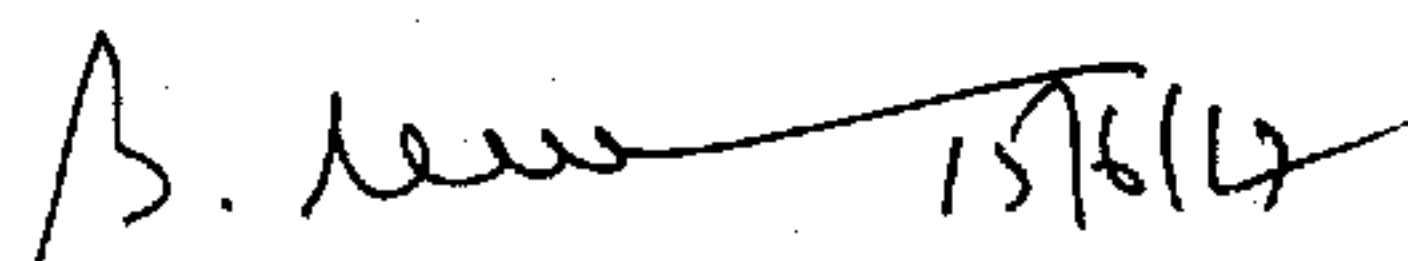
1.	YOGESH G SHAH	FCA	PETITIONER	
----	---------------	-----	------------	---

2.

ORDER

Learned FCA Mr. Yogesh G Shah present for Petitioner.

Order pronounced in Open Court. Vide Separate Sheet.


**BIKKI RAVEENDRA BABU
MEMBER JUDICIAL**

Dated this the 15th day of June, 2017.

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

**T.P. No. 41/NCLT/AHM/2017(New)
COMPANY PETITION No. 32 of 2016 (Old)**

CORAM: SRI BIKKI RAVEENDRA BABU, MEMBER JUDICIAL

Date: 15th Day of June, 2017

In the matter of

Moirs Steels Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001.

...

Petitioner/Transferor Company No.1

And

Rathi Iron and Steel Industries Limited,
Registered Office at Plot No.808,
A & B, Pithampur Industrial Area,
Sector-III, Pithampur Dhar
Madhya Pradesh – 454774.

...

Petitioner/Transferor Company No.2

And

Bharti Ingot Private Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001.

...

Petitioner/Transferor Company No.3

And

Riddhi Ispat Private Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001.

...

Petitioner/Transferor Company No.4

And

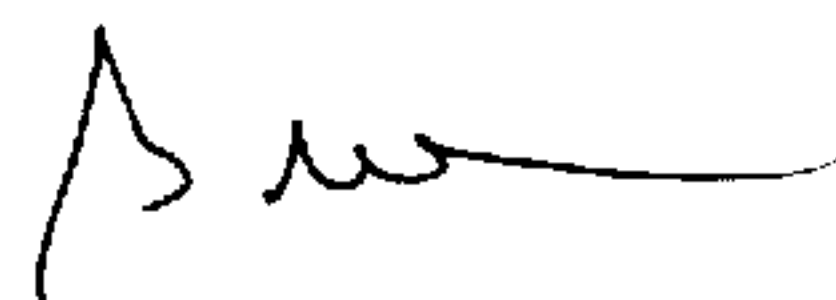
AVI Ispat Private Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001.

...

Petitioner/Transferor Company No.5

And

Gunjan Iron and Steel
(India) Private Limited,
Registered Office at :
504, President Regency,
3/5, Manoramaganj,



Indore (MP) – 452011. ... Petitioner/Transferor Company No.6

And

Shubham Fininvest (India)
Private Limited,
Registered Office at :
104-105, Baikunthdham Colony,
Anand Bazar, 501, Darshan Residency,
Indore (MP) – 452001. ...

Petitioner/Transferor Company No.7

And

Kamyabi Dealer Private Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001. ...

Petitioner/Transferor Company No.8

And

Broadway Traders Private Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001. ...

Petitioner/Transferor Company No.9

And

Boothnath Traders Private Limited,
Registered Office at :
103, Laxmi Tower,
576, M. G. Road,
Indore (MP) – 452001. ...

Petitioner/Transferor Company No.10

With

Jaideep Ispat and Alloys Private Limited,
Registered Office at Plot No.808-D,
Pithampur Industrial Area,
Sector-III, Pithampur Dhar,
Madhya Pradesh – 454774. ...

Petitioner/Transferee Company

Appearance:-

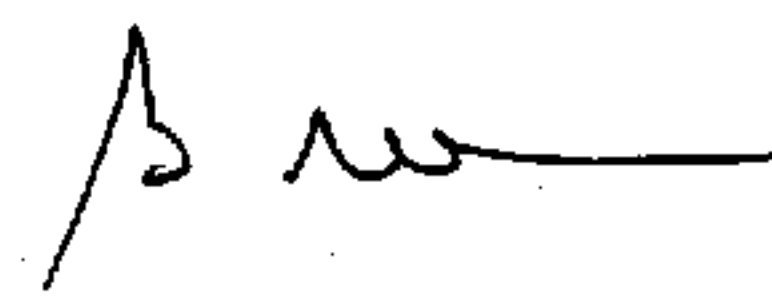
Mr. Shripal Lakdawala, ACA, for the petitioners.

FINAL ORDER
(Date: 15.06.2017)

1. By way of this petition under Section 391 to 394 of the Companies Act, 1956, originally filed before the Honourable High Court of Madhya Pradesh, Bench at Indore, being Company Petition No.32 of 2016, the petitioner-companies are seeking sanction of a Scheme of amalgamation of Moira Steels Limited (Petitioner Transferor Company No.1) and Rathi Iron and Steel Industries

Limited (Petitioner Transferor Company No.2) and Bharti Ingot Private Limited (Petitioner Transferor Company No.3) and Riddhi Ispat Private Limited (Petitioner Transferor Company No.4) and Avi Ispat Private Limited (Petitioner Transferor Company No.5) and Gunjan Iron and Steel (India) Private Limited (Petitioner Transferor Company No.6) and Shubham Fininvest (India) Private Limited (Petitioner Transferor Company No.7) and Kamyabi Dealer Private Limited (Petitioner Transferor Company No.8) and Broadway Traders Private Limited (Petitioner Transferor Company No.9) and Bhootnath Ispat Traders Private Limited (Petitioner Transferor Company No.10) with Jaideep Ispat and Alloys Private Limited (Petitioner Transferee Company) and their respective shareholders and creditors, with effect from the Appointed Date ["Scheme" for short].

2. The petitioners herein had filed Company Application (Petition) Nos.31, 28, 27, 19, 13, 30, 21, 12, 14, 15, and 29 of 2016, respectively, before the Honourable High Court of Madhya Pradesh, Indore Bench, seeking dispensation of meetings of shareholders and creditors of the petitioner companies for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of amalgamation. The Indore Bench of Madhya Pradesh High Court, vide order dated 1st August, 2016 made in Company Application (Petition) Nos.12, 13, 14 and 15 of 2016, dispensed with the meetings of shareholders and unsecured creditors on the basis of the consent letters received by the respective companies. Vide order dated 4th August, 2016, the Honourable High Court of Madhya Pradesh, Indore Bench, dispensed with the meetings of shareholders and unsecured creditors in Company Application (Petition) No.19 of 2016. In Company Application (Petition) No.21 of 2016, the Honourable High Court of Madhya Pradesh, Indore Bench, vide order dated 4th August, 2016, dispensed with meeting of shareholders in view of the consent letters. However, the meeting of unsecured creditors was dispensed with based on an undertaking that notice of final hearing would be served upon them. In Company Application (Petition) Nos.27, 28 and 29 of 2016, the Honourable High



Court, vide order dated 10th August, 2016, dispensed with meetings of shareholders of the respective companies based on consent letters received from them. However, the meetings of unsecured creditors of the respective companies were dispensed with based on an undertaking that notice of final hearing would be served upon them. In the said Company Applications, the meetings of secured creditors were dispensed with based on minutes of meetings held on 4th July, 2016 with the secured creditors of the Applicant Companies wherein their, in principle, approval was sought. In Company Application (Petition) No.30 of 2016, by order dated 10th August, 2016, the Honourable High Court dispensed with meetings of shareholders and unsecured creditors on the basis of consent letters. In Company Application (Petition) No.31 of 2016, vide order dated 10th August, 2016, the Honourable High Court dispensed with the meeting of shareholders based on an undertaking that notice of final hearing would be served upon the shareholders whose consent had not been obtained. In the said application, the meeting unsecured creditors was dispensed with based on an undertaking that notice of final hearing would be served upon them.

3. The petitioners, thereafter, filed a joint petition, being Company Petition No.32 of 2016, before the Honourable High Court of Madhya Pradesh, Indore Bench, seeking sanction of the Scheme. Before the final hearing of the said petition could take place, the same came to be transferred from the Hon'ble Madhya Pradesh High Court, Bench at Indore, to this Tribunal vide the order dated 14th February, 2017, in light of the Rule 3 of the Companies (Transfer of Pending Proceedings) Rules, 2016 and it is renumbered as TP No.41 of 2017.

4. This Tribunal by order dated 29th March 2017, fixed the date of hearing of the petition as 5th May, 2017 and directed all the petitioner companies to publish common Notice of Hearing of the Petition by way of advertisement the Newspapers in which earlier publications were made, not less than 10 days before the date fixed for hearing calling for their objections, if any, on or before the date of hearing.

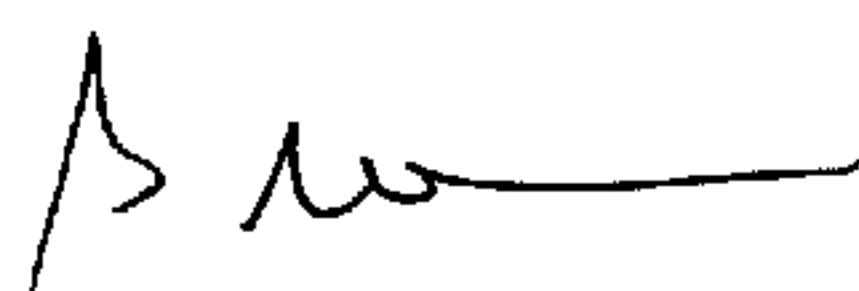


The petitioners were also directed to issue individual notices to all its Equity Shareholders and Secured and Unsecured Creditors, not less than 10 days before the date fixed for hearing calling for their objections, if any, on or before the date of hearing. This Tribunal also directed issuance of notice to (i) the Central Government through the Regional Director, (ii) Registrar of Companies, Madhya Pradesh (iii) concerned Income Tax Authorities; (iv) Official Liquidator; and (v) Reserve Bank of India, asking them to file their representations if any, within 30 days from the date of receipt of notice with a condition that in case no representation is received by this Tribunal, it shall be presumed that the above said authorities have no representation to make on the proposed Scheme of Arrangement.

5. All the petitioners have filed affidavits in respect of service of notices to Shareholders and Publications made in the newspapers as well as Affidavit of Service to Regulatory Authorities. In response to such individual notice and the publications made in newspapers, no objection is received either from any shareholder or any creditors. However, the representations filed by the Income Tax Department, Regional Director, Official Liquidator and the Registrar of Companies in the proceedings would be taken into consideration hereinafter.

6. Heard learned ACA, Mr. Shripal Lakdawala, for the petitioner companies.

7. In response to the notice of this Tribunal, the Official Liquidator filed representation. In paragraph 13 of the representation, it has been observed by the Official Liquidator that necessary directions may be issued to the Transferee Company to take responsibility in respect of payment of Income Tax/Service Tax and other taxes, if any, that may arise, to the concerned authority after implementation of the Scheme of Amalgamation. In this regard, in paragraph 2(b) of the affidavit filed by the petitioner companies, it is stated that in Clause 5.7 of the Scheme it has been provided that all the tax liabilities in connection with any of the transferor companies would be taken over



by the transferee company. It is also stated that the transferee company undertakes to comply with the provisions of the Income Tax Act, 1961 and to bear the liability of tax, if any, that arises after implementation of the Scheme. In paragraph 14 of the representation of the Official Liquidator has sought directions to be issued to preserve the books of accounts, papers and records and not to dispose of the same without prior permission of the Central Govt. as per the provisions of Section 239 of the Companies Act, 2013. Accordingly, the Transferee Company is hereby directed to preserve the books of accounts, papers and records of all the Transferor Companies and not to dispose of the same without prior permission of the Central Govt. as required under section 239 of the Companies Act, 2013. It is hereby further directed that even after the scheme is sanctioned, the Transferor companies shall comply with all the applicable provisions of law and shall not be absolved from any of its statutory liability. So far as the observations made by the Official Liquidator in paragraph 15 of the representation, it is stated in paragraph 2(d), that the accounting treatment is in accordance with AS-14. The Official Liquidator, in paragraph 16 of the representation stated that no complaint was received by his office against the proposed Scheme of Amalgamation from any person/party interested in the Scheme. However, the Official Liquidator sought a direction to the petitioner company to ensure statutory compliance of all applicable laws and, on sanctioning of the scheme, the petitioner company shall not be absolved from any of its liability, in any manner. It is observed that, on sanctioning of the scheme, the petitioner transferee company shall not be absolved from any of its liability in any manner.

8. In response to the notice of the petition to the Central Government, the Regional Director, North-Western Region, Ministry of Corporate Affairs, filed a common representation on affidavit dated 19th October, 2016, whereby several observations are made. In reply to the representation of the Regional Director, the Company Secretary of the transferee company filed a common affidavit dated 3rd May,



2017, whereby all the above issues have been dealt with. On perusal of these affidavits, the following issues are noted;

- (i) Vide the observation made vide para 2 (e), it is observed that there are discrepancies between share exchange ratios of the petitioner companies as per clause 6 of the Scheme and the share exchange ratio recommended by the valuer. In the reply it is stated that there were some errors noticed in the original valuation report. Therefore, revised report was issued by the Independent Chartered Accountant amending the figures on specific request by the management of the petitioner companies and the Board of Directors of all the petitioner companies considered the revised valuation report while approving the scheme of arrangement. In light of the above reply given by the petitioner companies, this Tribunal is of the view that the observations made by the Regional Director in paragraph 2(e) stand satisfied.
- (ii) The Regional Director, in paragraph 2(f) observed that it is revealed from clause 6 of the Scheme that the petitioner companies have not provided any clause/sub-clause for fractional entitlements for the equity shareholders of the transferor companies. In the reply filed by the petitioner companies, it is stated that the petitioner companies are part of same closely held group and none of the shareholders would be adversely impacted since the fractional entitlement would not be significant in number and, considering the same, all the shareholders have given their consent for the Scheme. In light of the above, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(f) stands satisfied.
- (iii) The observation of the Regional Director made vide para 2(g) pertains to typographical error in the name of Transferor Company, Riddhi Ispat Private Limited. In the reply affidavit, it is stated that an amendment application to rectify the mistake was moved before the Indore Bench of Madhya Pradesh High



Court and the Honourable High Court, vide order dated 28th November, 2016, allowed the said amendment and necessary correction was carried out in the petition on 1st December, 2016. In view of the said statement on affidavit on behalf of the petitioners, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2 (g) stands satisfied.


(iv) Vide para 2(h) of the said affidavit, the Regional Director has observed that the clause 7.7 of the Scheme is not in accordance with the Accounting Standar-14. As per the requirements of AS-14, the excess of assets over liabilities should be credited to the Amalgamation Reserve Account being Capital Reserve nature and the shortfall, if any, should be debited to the Goodwill Account, whereas the petitioner companies, in the scheme, propose to transfer the excess of Net Assets Value to General Reserve Account of the transferee company. In this regard, it may be mentioned that during the course of hearing of the petition, the observation made by the Regional Director in paragraph 2(h) was discussed and the petitioner companies agreed to credit the excess of assets over liabilities in Capital Reserve Account in accordance with revised AS-14. Therefore, the petitioners moved an application, being IA No.146 of 2017, seeking permission of this Tribunal to replace existing clause 7.7 of the Composite Scheme of Arrangement, so as to enable the petitioner transferee company to credit the excess net assets value of the transferor companies to Capital Reserve of the transferee company. This Tribunal, by order dated 15th June, 2017, allowed the said application. In light of the above, this Tribunal is of the view that the observations made by the Regional Director in paragraph 2(h) of the representation stand satisfied.

(v) In paragraph 2(i), the Regional Director has observed that though the Regional Director requested for specific comments from the Income Tax Authorities, no reply was received from the Income Tax Department and, hence, the petitioner



companies may be directed to comply with the provisions of the Income Tax Act and the Rules made thereunder. In this regard, it may be mentioned that in response to the notice issued by this Tribunal to the Income Tax Authorities, this Tribunal received communications dated 25.04.2017 and 11.05.2017 from the office of the Pr. Commissioner of Income Tax (Central), Bhopal, enclosing therewith details of outstanding dues received from the Assistant Commissioner of Income Tax (Central)-2, Indore. It is suggested in the communication of the Assistant Commissioner dated 02.05.2017 that a security bond/bank guarantee may be taken from the transferee company that it will pay all the outstanding demand pending as on the date of amalgamation. In response to this, the petitioner companies filed an affidavit dated 20th May, 2017, wherein it is stated in paragraph 5 that, as regards the impact of valuation on income tax liability, the entire Scheme of Amalgamation is tax neutral under the provisions of the Income-tax Act, 1961. It is further stated in the said affidavit that all the liabilities, including liability arising from pending Income-tax assessments and outstanding demands, if any, of the transferor companies shall stand transferred to the transferee company after the scheme is sanctioned and interest of the Income-tax Department is, accordingly, protected. Not only that, the transferee company has undertaken to comply with all the applicable provisions of the Income-tax Act, 1961. In light of the above, this Tribunal is of the view that the observations made by the Regional Director in paragraph 2(i) stand satisfied. However, the transferee company shall give a personal bond for the amount of Income Tax outstanding from the transferor companies as per final decision of the Adjudicating Authority under the Income Tax Act.

- (vi) In response to the observations made by the Regional Director in paragraph 2(j) of the representation, it is stated in



the reply in 2j. M/s Sanjay Castings (India) Private Limited is a creditor of Moira Steels Limited (Transferor Company No.1). The Scheme provides that all the liabilities of all the transferor companies would be undertaken by the Transferee Company and, hence, the interest of all creditors, including the aforesaid creditor, is protected in the Scheme. It is further stated in the reply that the petitioner Transferor Company No.1 has taken an affidavit from the creditor confirming its consent in favour of the Scheme and the same is produced as Annexure-A/3. In light of the aforesaid, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j) stands satisfied.

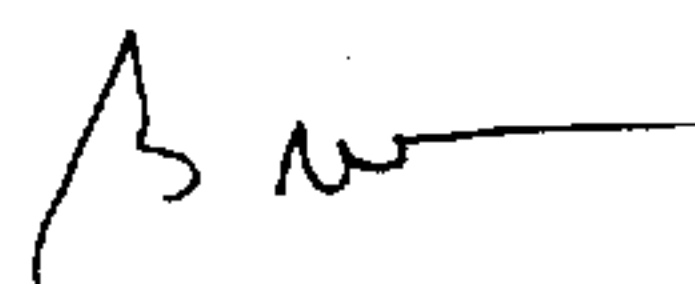
(vii) So far as the observations made by the Regional Director in paragraph 29(j)(A) is concerned, it is stated in the reply that the Board of Directors of Moira Steels Limited is authorized by Clause III(C) sub-clause 46 of the MOA of Moira Steels Limited to gift its property and the Board of Directors vide its Resolution dated 22.03.2016 have transferred its properties to various LLP's by way of gift. Details of such transfer have been provided in Schedule 8(B) of the Annual Report of Moira Steels Limited for the year ending March, 2016. It is further stated in the reply that the transfer of properties by way of gift is exempted from Income Tax under Section 47 of the Income Tax Act, 1961 and applicable stamp duty on such transfer has been duly paid. Moreover, the transferee company has undertaken to pay the tax liability arising out of the said transaction, if any. In light of the aforesaid, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(A) stands satisfied.

(viii) In response to the observations made by the Regional Director in paragraph 2(j)(B) of the representation, it is stated in the reply that the outstanding balance of Canbank Factors Limited does not appear in the Annual Accounts of Bharti



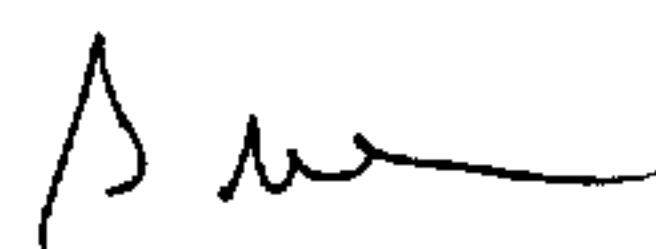
Ingot Private Limited as of 31st March, 2016 and 31st March, 2015. According to the petitioners, all the disclosures have been made in accordance with provisions of the Companies Act and accounting standard and the auditor has not made any comment/qualification on presentation and disclosure in this respect. It is further stated that vide letter dated 21st September, 2016, consent was obtained from Canbank Factors Limited to the Scheme of amalgamation and No Dues letter was also obtained from Canbank Factors Limited clarifying that Bharti Ingot owes nothing to Canbank Factors Limited. In light of the aforesaid, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(B) stands satisfied.

- (ix) In paragraph 2(j)(C), the Regional Director has observed that, as per the ROC report, long term borrowings of Riddhi Ispat Private Limited (Transferor Company No.4) includes Inter Corporate Loan to the tune of Rs.2.48 crore and 2.52 crore as at 31.3.2016 and 31.3.2015, respectively, which is in excess of limit as per Section 186 of the Companies Act, 2013. In the reply, in paragraph 2.m, it is stated that the ROC has erroneously referred to Section 186 of the Act. Section 186 of the Act refers to restriction on loans or investments which can be extended or made by a company. According to the petitioners, it is Section 180 of the Act which deals with restriction on powers of Board regarding borrowing of money by a company in excess of prescribed limited. It is stated in the reply that Section 180 of the Act is not applicable to a private company as notified in MCA Notification dated 5th June, 2015. In spite of that, consent of shareholders was obtained by the company as required under Section 180 of the Act. In this view of the matter, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(C) stands satisfied.



(x) In paragraph 2(j)(D), the Regional Director has observed that, as per the ROC report, long term borrowings of AVI Ispat Private Limited (Transferor Company No.5) includes Inter Corporate Loan to the tune of Rs.2.50 crore and 2.50 crore as at 31.3.2016 and 31.3.2015, respectively, which is in excess of limit as per Section 186 of the Companies Act, 2013. In the reply, in paragraph 2.n, it is stated that the ROC has erroneously referred to Section 186 of the Act. Section 186 of the Act refers to restriction on loans or investments which can be extended or made by a company. According to the petitioners, it is Section 180 of the Act which deals with restriction on powers of Board regarding borrowing of money by a company in excess of prescribed limited. It is stated in the reply that Section 180 of the Act is not applicable to a private company as notified in MCA Notification dated 5th June, 2015. In spite of that, consent of shareholders was obtained by the company as required under Section 180 of the Act. In this view of the matter, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(D) stands satisfied.

(xi) In paragraph 2(j)(E), the Regional Director has stated that the ROC has reported that non-current investments made by AVI Ispat Private Limited is not shown in its Annual Accounts. In this regard, it is stated in the reply filed by the petitioners that statutory auditor has not made any adverse comment or qualification while issuing audit report. According to the petitioners even the auditor appointed by the Official Liquidator while submitting his report on affairs of all the transferor companies has not made any adverse comment regarding the disclosures made in the annual accounts. The petitioners have given the details of non-current investments made by the company in the reply. In light of the above, this Tribunal is of the view that the observations made by the Regional Director in paragraph 2(j)(E) stand satisfied.



(xii) In paragraph 2(j)(F), the Regional Director has observed that, as per the ROC report, long term borrowings of Gunjan Iron and Steels Private Limited (Transferor Company No.5) includes Inter Corporate Loan to the tune of Rs.3.82 crore and 3.82 crore as at 31.3.2016 and 31.3.2015, respectively, which is in excess of limit as per Section 186 of the Companies Act, 2013. In the reply, in paragraph 2.p, it is stated that the ROC has erroneously referred to Section 186 of the Act. Section 186 of the Act refers to restriction on loans or investments which can be extended or made by a company. According to the petitioners, it is Section 180 of the Act which deals with restriction on powers of Board regarding borrowing of money by a company in excess of prescribed limited. It is stated in the reply that Section 180 of the Act is not applicable to a private company as notified in MCA Notification dated 5th June, 2015. In spite of that, consent of shareholders was obtained by the company as required under Section 180 of the Act. In this view of the matter, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(F) stands satisfied.

(xiii) In paragraph 2(j)(G), the Regional Director has stated that the ROC has reported that the accounts of Shubham Fininvest (India) Private Limited have been manipulated and proper entries have not been made. In this regard, in the reply, the petitioners have stated that income appearing in profit and loss account does not reflect interest income. Interest free loans and advances were given by Shubham Fininvest (India) Private Limited to other companies. It is also stated that the annual accounts have been prepared in accordance with applicable accounting standards and the statutory auditor has not made any adverse comment or qualification in his audit report in this respect. It is also stated that the auditor appointed by the Official Liquidator while submitting his report on affairs of all the transferor companies have not made



any adverse comment regarding manipulation of accounts and improper entries. In light of the above, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(G) stands satisfied.

(xiv) The Regional Director, in paragraph 2(j)(H) of the representation observed that the ROC has reported that details of parties to whom loan and advances have been given are not disclosed in the Annual Accounts of Kamyabi Dealer Private Limited (Transferor Company No.8). In the reply filed by the petitioners, it is stated that all the disclosures have been made in accordance with applicable accounting standards and the statutory auditor has not made any adverse comment or qualification in his audit report. According to the petitioners, even the auditor appointed by the Official Liquidator while submitting his report on affairs of all the transferor companies has not made any adverse comment in respect of the aforesaid disclosure. The details of parties to whom loan has been given are given in the reply. In this view of the matter, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(H) stands satisfied.

(xv) The Regional Director, in paragraph 2(j)(I) of the representation observed that the ROC has reported that details of parties to whom loan advances recoverable in cash or kind have been given are not disclosed in the Annual Accounts of Jaideep Ispat and Alloys Private Limited (Transferee Company). In the reply filed by the petitioners, it is stated that all the disclosures have been made in accordance with applicable accounting standards and the statutory auditor has not made any adverse comment or qualification in his audit report. It is also stated in the reply that Schedule III of the Companies Act, 2013, which prescribes general guidelines for preparation of balance sheet and profit and loss account of a company do not require any

such disclosure to be made. However, the petitioners have given in the reply details of parties to whom loan has been given. The Transferee Company has also undertaken to comply with any requirement as per law. In this view of the matter, this Tribunal is of the view that the observation made by the Regional Director in paragraph 2(j)(l) stands satisfied.

9. In compliance with the proviso to sub-section (7) of Section 230, the petitioner companies placed on record along with I.A. No.146 of 2017 a certificate of Chartered Accountant dated 23rd May, 2017, confirming that the accounting treatment envisaged under the proposed amended accounting treatment specified in Clause 7 of the Scheme of Arrangement is in compliance with the applicable Accounting Standards notified by Central Govt. in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles.

10. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, it appears that all the requirements of section 230 and 232 of the Companies Act, 2013 are satisfied. The Scheme appears to be genuine and *bona fide* and in the interest of the shareholders and creditors as well as in the public interest and the same deserves to be sanctioned.

11. In the result, these petitions are allowed. The Scheme, which is at Annexure-A/1 as amended, is hereby sanctioned and it is declared that the same shall be binding on the petitioner companies, viz. Moira Steels Limited, Rathi Iron and Steel Industries Limited, Bharti Ingot Private Limited, Riddhi Ispat Private Limited, Avi Ispat Private Limited, Gunjan Iron and Steel (India) Private Limited, Shubham Fininvest (India) Private Limited, Kamyabi Dealer Private Limited, Broadway Traders Private Limited, Bhootnath Ispat Traders Private Limited and Jaideep Ispat and Alloys Private Limited, and their respective shareholders and creditors their shareholders, creditors




and all concerned under the scheme. It is also declared that Transferor Companies viz. Moira Steels Limited, Rath Iron and Steel Industries Limited, Bharti Ingot Private Limited, Riddhi Ispat Private Limited, Avi Ispat Private Limited, Gunjan Iron and Steel (India) Private Limited, Shubham Fininvest (India) Private Limited, Kamyabi Dealer Private Limited, Broadway Traders Private Limited, Bhootnath Ispat Traders Private Limited shall stand dissolved without winding up.

12. In view of the direction in paragraph 8(v) of this order, the petitioner companies shall implement the Scheme only upon furnishing such personal bond before the Income Tax Authorities.

13. The fees of the Official Liquidator ^y~~are~~ quantified at Rs.10,000/-. The said fees to the Official Liquidator shall be paid by the Transferee Company.

14. Filing and issuance of drawn up orders is hereby dispensed with. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.

15. This petition is disposed of accordingly.


BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Pronounced by me in open court
on this 15th day of June, 2017.

gt