

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI**

**CSA NO.767 OF 2017**

In the matter of Companies Act, 2013 (18 of 2013)

AND

In the matter of sections 230 to 232 of the  
Companies Act, 2013

AND

In the matter of Scheme of Amalgamation  
between Balaji Amines Limited (Transferee  
Company) and Bhagyanagar Chemicals Limited  
(First Transferor Company) and Balaji Greentech  
Products Limited (Second Transferor Company)  
and their respective Shareholders and Creditors

Balaji Amines Limited	..... Applicant Transferee Company
Bhagyanagar Chemicals Limited	..... Applicant Transferor Company
Balaji Greentech Products Limited	..... Applicant Transferor Company

**Dated:** 23<sup>rd</sup> day of August, 2017

**Coram:**

Hon'ble Shri B.S.V. Prakash Kumar, (Judicial)  
Hon'ble Shri V. Nallasenapathy, (Technical)

**Called for hearing:** Y. Suryanarayana, Advocate for Applicant.

**Per:** Shri B.S.V. Prakash Kumar, (Judicial)

**MINUTE OF THE ORDER**

1. The Counsel of the Applicant Companies submits that the Scheme of Amalgamation provides for amalgamation of Bhagyanagar Chemicals Limited (First Transferor Company) and Balaji Greentech Products Limited (Second Transferor Company) with Balaji Amines Limited (Transferee Company) pursuant to the provisions of sections 230 to 232 of the Companies Act, 2013.
2. The Counsel of the Applicant Companies further submits that the Board of Directors of the Companies involved in the Scheme believe that the

amalgamation of the Transferor Companies with Transferee Company would inter alia have the following benefits:

- The amalgamation will result in consolidation of business of three Companies in one entity and thereby strengthening the position of the amalgamated entity by enabling it to harness and optimize the synergies of equipments and human resources, which is in the best interest of all the Companies and their respective shareholders.
- The Transferee Company is the holding Company of the First Transferor Company holding 100% of the total paid up equity share capital of the First Transferor Company. The Transferee Company is also the holding Company of the Second Transferor Company holding 66% of the total paid up equity share capital and 100% of the total paid up preference share capital of the Second Transferor Company. In view of the fact that the First Transferor Company and the Transferee Company are engaged in the business akin to that of the Transferee Company as also that the business of the Second Transferor Company can be combined keeping in view the synergic advantages resulting out of the amalgamation of the Second Transferor Company, it is proposed to amalgamate both the Transferor Companies and Transferee Company into a single company which will lead the amalgamated Company to greater and optimal use of resources. A consolidation of the Transferor Companies and the Transferee Company by way of amalgamation would therefore lead to a more efficient utilization of capital, talent pooling and will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions.
- The proposed amalgamation will lead to the benefits such as economies of scale, besides other synergetic advantages particularly in view of the fact that the entire gamut of operations of the combined entity will have greater management focus and increased supervisory control.

- The proposed amalgamation will reduce administrative costs and also result in reduction of overheads and other expenses, economies of scale, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.
  - The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Companies, the Transferee Company and to the interest of public at large and all concerned.
3. A meeting of the Equity Shareholders of the Transferee Company be held on Tuesday, the 25<sup>th</sup> day of October, 2017, at 03:30 PM, at the registered office of the Transferee Company situated at Balaji Towers, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224, India, for consideration and approval of the proposed Scheme of Amalgamation. The quorum of the aforesaid meeting shall be as mentioned under Section 103 of the Companies Act, 2013. Mr. Gaddam Hemanth Reddy, director and authorized representative of the Company failing him Mr. D. Ram Reddy, director and authorized representative of the Company is appointed as Chairperson and Mr. Lokesh Agarwal, Practising Company Secretary, as Scrutinizer for the meeting of the Equity Shareholders of the Transferee Company.
  4. A meeting of the Sundry Creditors of the Transferee Company be held on Tuesday, the 25<sup>th</sup> day of October, 2017, at 02:00 PM, at the registered office of the Transferee Company situated at Balaji Towers, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224, India, for consideration and approval of the proposed Scheme of Amalgamation. The quorum of the aforesaid meeting is fixed as 50 (Fifty) Sundry Creditors present in person or through proxy. Mr. Gaddam Hemanth Reddy, director and authorized representative of the Company failing him Mr. D. Ram Reddy, director and authorized representative of the Company is appointed as the Chairperson and Mr. Lokesh Agarwal,

Practicing Company Secretary, as Scrutinizer for the meeting of the Equity Shareholders of the Transferee Company.

5. This bench hereby directs the Transferee Company to send the notices of the meeting of the Equity Shareholders and Sundry Creditors by Registered Post or Speed Post or by courier or by email or by hand delivery to the Equity Shareholders and Sundry Creditors of the Transferee Company at least 30 days before the date of the Meeting specifying the date, time and venue of the meeting and to advertise and publish the notice of the meeting of Equity Shareholders and Sundry Creditors of the Transferee Company in two newspapers viz., Indian Express, English Daily and Sakal, Marathi Daily, circulated at Solapur where the registered office of the Transferee Company is situated.
6. This bench hereby directs the Transferee Company that the notice of the meeting of the Equity Shareholders and Sundry Creditors of the Transferee Company be served on (i) The Central Government i.e. the Regional Director, (ii) The Registrar of Companies, (iii) The Income Tax Department, (iv) BSE Limited, (v) National Stock Exchange of India Limited and (vi) Securities and Exchange Board of India, with a statement that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal and a copy of such representations shall simultaneously be served on the Applicant Company failing which it shall be presumed that the authorities have no representations to be made.
7. Voting either in person or by proxy is permitted for the aforesaid meetings.
8. This bench hereby directs the chairperson appointed for convening the meetings of Equity Shareholders and Sundry Creditors of the Transferee Company to file an affidavit not less than (Seven) days before the date of holding of the meetings of the Equity Shareholders and Sundry Creditors to the effect that the directions regarding the issue of notices and issue of advertisements have been duly complied with.

9. This bench hereby directs the chairperson appointed for convening the meetings of Equity Shareholders and Sundry Creditors of the Transferee Company to file his reports on the result of voting of the meetings within 10 days from the date of convening the respective meetings with this Tribunal.
10. That since there are no Secured Creditors in the Applicant Transferor Company-1, the question of sending them notices does not arise.
11. A meeting of Equity Shareholders of the First Transferor Company be held on Tuesday, the 25<sup>th</sup> day of October, 2017, at 11:00 AM, at the registered office of the First Transferor Company situated at Balaji Towers, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224, India, for consideration and approval of the proposed Scheme of Amalgamation. The quorum of the aforesaid meeting shall be as prescribed under Section 103 of the Companies Act, 2013. Mr. Gaddam Hemanth Reddy, director and authorized representative of the Company failing him Mr. D. Ram Reddy, director and authorized representative of the Company is appointed as Chairperson and Mr. Lokesh Agarwal, Practising Company Secretary, as Scrutinizer for the meeting of the Equity Shareholders of the First Transferor Company.
12. This bench hereby directs the First Transferor Company to send the notices of the meeting of the Equity Shareholders by Registered Post or Speed Post or by courier or by email or by hand delivery to the Equity Shareholders of the First Transferor Company at least 30 days before the date of the Meeting specifying the date, time and venue of the meeting and to advertise and publish the notice of the meeting of Equity Shareholders of the First Transferor Company in two newspapers viz., Indian Express, English Daily and Sakal, Marathi Daily, circulated at Solapur where the registered office of the First Transferor Company is situated.

13. This bench hereby directs the First Transferor Company that the notice of the meeting of the Equity Shareholders of the First Transferor Company be served on (i) The Central Government i.e. the Regional Director, (ii) The Registrar of Companies, (iii) The Income Tax Department and (iv) The Official Liquidator, with a statement that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal and a copy of such representations shall simultaneously be served on the First Transferor Company failing which it shall be presumed that the authorities have no representations to be made.
14. Voting either in person or by proxy is permitted for the aforesaid meeting.
15. This bench hereby directs the chairperson appointed for convening the meetings of Equity Shareholders of the First Transferor Company to file an affidavit not less than (Seven) days before the date of holding of the meetings of the Equity Shareholders to the effect that the direction regarding the issue of notices and issue of advertisements have been duly complied with.
16. This bench hereby directs the chairperson appointed for convening the meeting of Equity Shareholders of the First Transferor Company to file his report on the result of voting of the meeting within 10 days from the date of convening the meeting with this Tribunal.
17. The counsel for the Applicant / First Transferor Company submits that since the Scheme is an arrangement between the Applicant / First Transferor Company and its Shareholders, only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of section 230(1)(b) of the Companies Act, 2013. This bench hereby directs the Applicant / First Transferor Company to issue notice to all its creditors as on 31<sup>st</sup> March, 2017, as required under section 230(3) of the Companies Act, 2013, with a statement that they may submit their representations, if any, to the Tribunal and a copy of such representations shall simultaneously be served upon the Applicant / First Transferor Company.

18. A meeting of Equity Shareholders of the Second Transferor Company be held on Tuesday, the 25<sup>th</sup> day of October, 2017, at 12:00 Noon, at the registered office of the Transferee Company situated at Balaji Towers, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224, India, for consideration and approval of the proposed Scheme of Amalgamation. The quorum of the aforesaid meeting shall be as prescribed under Section 103 of the Companies Act, 2013. Mr. Gaddam Hemanth Reddy, director and authorized representative of the Company failing him Mr. D. Ram Reddy, director and authorized representative of the Company is appointed as Chairperson and Mr. Lokesh Agarwal, Practising Company Secretary, as Scrutinizer for the meeting of the Equity Shareholders of the Second Transferor Company.
19. A meeting of 10% Cumulative Redeemable Preference Shareholder of the Second Transferor Company be held on Tuesday, the 25<sup>th</sup> day of October, 2017, at 01:00 PM, at the registered office of the Second Transferor Company situated at Balaji Towers, No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharashtra - 413224, India, for consideration and approval of the proposed Scheme of Amalgamation. The quorum of the aforesaid meeting is fixed as **01 (One) 10%** Cumulative Redeemable Preference Shareholder present in person or through proxy. Mr. Gaddam Hemanth Reddy, director and authorized representative of the Company failing him Mr. D. Ram Reddy, director and authorized representative of the Company is appointed as Chairperson and Mr. Lokesh Agarwal, Practising Company Secretary, as Scrutinizer for the meeting of the Equity Shareholders of the Second Transferor Company.
20. This bench hereby directs the Second Transferor Company to send the notices of the meeting of the Equity Shareholders and 10% Cumulative Redeemable Preference Shareholder by Registered Post or Speed Post or by courier or by email or by hand delivery to the Equity Shareholders and to the 10% Cumulative Redeemable Preference Shareholder of the Second Transferor Company at least 30 days before the date of the Meeting specifying the date, time and venue of the meeting and to

advertise and publish the notice of the meeting of Equity Shareholders and 10% Cumulative Redeemable Preference Shareholder of the Second Transferor Company in two newspapers viz., Indian Express, English Daily and Sakal, Marathi Daily, circulated at Solapur where the registered office of the Second Transferor Company is situated.

21. This bench hereby directs the Second Transferor Company that the notice of the meeting of the Equity Shareholders and the 10% Cumulative Redeemable Preference Shareholder of the Second Transferor Company be served on (i) The Central Government i.e. the Regional Director, (ii) The Registrar of Companies, (iii) The Income Tax Department, with a statement that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal and a copy of such representations shall simultaneously be served on the Second Transferor Company failing which it shall be presumed that the authorities have no representations to be made.
22. Voting either in person or by proxy is permitted for the aforesaid meetings.
23. This bench hereby directs the chairperson appointed for convening the meetings of Equity Shareholders and the 10% Cumulative Redeemable Preference Shareholder of the Second Transferor Company to file an affidavit not less than (Seven) days before the date of holding of the meetings of the Equity Shareholders and the 10% Cumulative Redeemable Preference Shareholder to the effect that the direction regarding the issue of notices and issue of advertisements have been duly complied with.
24. This bench hereby directs the chairperson appointed for convening the meetings of Equity Shareholders and the 10% Cumulative Redeemable Preference Shareholder of the Second Transferor Company to file his reports on the result of voting of the respective meetings within 10 days from the date of convening the respective meetings with this Tribunal.
25. The counsel for the Applicant / Second Transferor Company submits that since the Scheme is an arrangement between the Applicant / Second

Transferor Company and its Shareholders, only the meetings of the Equity Shareholders and 10% Cumulative Redeemable Preference Shareholder are proposed to be held in accordance with the provisions of section 230(1)(b) of the Companies Act, 2013. This bench hereby directs the Applicant / Second Transferor Company to issue notice to all its creditors as on 31<sup>st</sup> March, 2017, as required under section 230(3) of the Companies Act, 2013, with a statement that they may submit their representations, if any, to the Tribunal and a copy of such representations shall simultaneously be served upon the Applicant / Second Transferor Company.

26. The Transferor Companies to serve notices upon the Official Liquidator M/s. B. A. Ved & Co., Chartered Accounts are appointed with remuneration of Rs.50,000/- to assist the Official Liquidator to scrutinize books of accounts of the Applicant Companies. If no response is received by the concerned Tribunal from Official Liquidator within 30 days it may be presumed that Official Liquidator, High Court, Bombay has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
27. The Applicant to file an affidavit of service of the directions given by the Tribunal not less than seven days before the date fixed for the holding of the meetings and do report to this Tribunal that the direction regarding the issue of notices have been duly complied with.

Sd/-

**V. Nallasenapathy, Member (T)**

Sd/-

**B.S.V. Prakash Kumar, Member (J)**