

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI**

**CSA No. 34 Of 2018**

In the matter of Companies Act,  
2013

And

In the matter of Sections 230 to 232  
of the Companies Act, 2013 and  
other relevant provisions of the  
Companies Act, 2013.

And

In the matter of the Scheme of  
Amalgamation between Grant  
Investrade Limited (Transferor  
Company) and Hinduja Ventures  
Limited (Transferee Company) and  
their respective Shareholders and  
Creditors

**Hinduja Ventures Limited, )**  
public limited company )  
incorporated under the )  
provisions of the Companies )  
Act, 1956, having its )  
registered office situated at In )  
Centre, 49/50, MIDC 12th ) .....Applicant Company  
Road, Andheri (East), Mumbai )  
MH 400093.

Order delivered on 8<sup>th</sup> of February 2018

Coram:

Hon'ble Mr. B.S.V. Prakash Kumar, Member (J)

Hon'ble Mr. V. Nallasenapathy, Member (J)

For the Applicant: Ms. Parita Dave, i/b Crawford Bayley & Co.

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

**ORDER**

1. The Advocate for the Applicant Company states that the present Scheme is a Scheme of Amalgamation of wholly owned subsidiary company namely, Grant Investrade Limited with its holding company namely, Hinduja Ventures Limited or the Transferee Company.

2. The Transferor Company was incorporated on March 18, 1997 under the provisions of Companies Act, 1956. The Registered office of the Applicant Company is situated at In Centre, 49/50, MIDC 12th Road, Andheri (East), Mumbai – 400093. The Applicant Company was incorporated on July 18, 1985 under the provisions of Companies Act, 1956. The Registered office of the Transferee Company is situated at In Centre, 49/50, MIDC 12<sup>th</sup> Road, Andheri (East), Mumbai – 400093.
  
3. The Advocate for the Applicant Company further submits that both the Transferor and Transferee Companies are group entities. Further, the Applicant Company is engaged in the business of sub-broking, media, real estate and treasury.
  
4. The rationale for the proper Scheme is as under:
  - a. Enable Transferee Company to use the resources of Transferor Company and generate synergy in operations.
  - b. Consolidation of entities thereby achieving consolidation of the assets and a larger asset base;
  - c. Reduction in the operational, financial and administrative costs;
  - d. Increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;
  - e. Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources and
  - f. Efficient and Focused management control and system.
  
5. The Applicant Company respectfully submits that:
  - a) the applicant company has 100% holding in its subsidiary company;
  - b) the net worth of the Transferee Company as on March 31, 2017 is Rs. 10,23,85,04,354.26 (Indian Rupees One Thousand



Twenty-Three Crores Eighty-Five Lakhs Four Thousand Three Hundred Fifty-Four and Twenty-Six Paise only) which is highly positive. The net worth of the Transferor Company as on March 31, 2017 is Rs. 117,08,53,000 (Indian Rupees One Hundred Seventeen Crores Eight Lakhs Fifty Three Thousand only) respectively. The assets of the Transferee Company are more than sufficient to discharge its liabilities;

- c) Since it is a merger of wholly owned subsidiary company into its holding company, no shares would be issued or allotted as consideration pursuant to the merger. The proposed Scheme will not result in any dilution in shareholding of the public shareholders of the Transferee Company;
  - d) The existence of the Transferee Company will remain as before without any change to its shareholding pattern pursuant to the Scheme;
  - e) No undertaking of the Applicant Company is being parted away or being disposed off and hence provisions of Section 180 of the Companies Act, 2013 are also not applicable;
  - f) Further, there is no compromise or arrangement with the members or creditors of the Transferee Company. Therefore the proposed Scheme of Amalgamation is not prejudicial to the interest of the shareholders or the creditors of the Transferee Company;
6. The Advocate for the Applicant Company submits that in view of above, no reconstruction or arrangement happens with its shareholders or creditors, and thus, it does not require to hold either shareholders' meeting or creditors' meeting for approval of the proposed Scheme, in view of ratio laid down by this Tribunal in **CSA No. 243 of 2017 in the matter of Housing Development Finance Corporation Limited dated September 04, 2017**. The Advocate for the Applicant submits that the facts in the present case are similar to the facts of the above case, therefore no meeting of shareholders and creditors is required to be convened. The Advocate for the Applicant further clarifies that the Applicant Company will file petition and comply

with the provisions of service of notices upon all Regulatory Authorities.

7. The Applicant Company is accordingly directed to serve notices along with the documents as mentioned (a) the draft of the proposed terms of the Scheme drawn up and adopted by the Board of Directors; (b) confirmation that a copy of the draft Scheme has been filed with the Registrar; (c) a report adopted by the Directors of the Applicant Company explaining the effect of the amalgamation on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties; (d) the report of the expert with regard to valuation. if any; (e) a supplementary accounting statement, if any, if the last annual accounts of any of the merging companies relate to a financial year ending more than 6 months before the date of service of notice, upon:- (i) concerned Income Tax Authority with in whose jurisdiction the Applicant Company's assessments are made, (ii) the Securities and Exchange Board of India(iii) the Central Government through the office of Regional Director, Western region, Mumbai, (iv) Registrar of Companies (v) BSE Limited and (vi) National Stock Exchange of India Limited (NSE) with a direction 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 with copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.
8. The Applicant Company shall file the affidavit of service in the Registry that directions contained in clause 7 have been complied with.

Sd/-

Sd/-

V. Nallasenapathy, Member (T) B.S.V. Prakash Kumar, Member (J)