

**In the National Company Law Tribunal
Division Bench, Chennai**

TP(HC)/85/CAA/2017

TP(HC)/86/CAA/2017

TP(HC)/87/CAA/2017

[TCA(HC)/11&12&13/CAA/2016]

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation of

M/s. Murugappa Holdings Limited

(Transferor Company 1)

And

M/s. Presmet Private Limited

(Transferor Company 2)

With

M/s. Ambadi Investments Private Limited

(Transferee Company)

And

Their Respective Shareholders and creditors

Order delivered on: 07.08.2017

Coram:

Ch. Mohd Sharief Tariq, Member (J)

S. Vijayaraghavan, Member (T)

For the Petitioners: Shri P.H. Arvinth Pandian, Sr. Advocate

Shri Pawan Jhabakh, Advocate

ORDER

Per: Ch. Mohd Sharief Tariq, Member (J)

1. Under consideration are two Company Petitions filed under the provisions of erstwhile the Companies Act, 1956 which have been transferred from the Hon'ble High Court of Madras to this Tribunal pursuant to the Companies (Transfer of Pending Proceedings) Rules, 2016 and renumbered as TP(HC)/85&86&87/CAA/2017. The purpose of the Company Petitions

is to obtain sanction for the Scheme of Amalgamation (in short, ‘**Scheme**’) by virtue of which M/s. Murugappa Holdings Limited (hereinafter referred to as ‘**Transferor Company 1**’) and M/s. Presmet Private Limited (hereinafter referred to as ‘**Transferor Company 2**’) are proposed to be merged, amalgamated and vested in M/s. Ambadi Investments Private Limited (hereinafter referred to as ‘**Transferee Company**’) as a going concern.

2. The details of Share Capital and shareholders, Secured and Unsecured creditors of the Companies are as under:

Particular	Authorised Capital	Issued, S&P Capital	Equity Share-holders	Secured Creditors	Unsecured Creditors
Transferor Company 1	Rs. 57,00,00,000	Rs. 4,07,58,160	1241	Nil	1
Transferor Company 2	Rs. 2,50,00,000	Rs. 1,36,68,320	2	Nil	1
Transferee Company	Rs. 20,00,00,000	Rs. 2,04,42,160	45	Nil	1

3. The Transferor Company 1 is a Non-Deposit Accepting & Systemically Important Core Investment Company (CIC-ND-SI) registered under Section 45-1A of the Reserve Bank of India Act, 1934 whereas the Transferor Company 2 and Transferee Company are Private Limited Companies having registered office at Dare House, 234, NSC Bose road, Chennai- 600001 and the Board of Directors of petitioner companies vide its resolution dated 22nd August, 2016 approved the said scheme of Amalgamation.

4. The Transferor Company 1 and the Transferee Company are engaged in the business of investment companies whereas the Transferee Company is engaged in the business of manufacturing of automobile ancillary parts. This Bench vide its order dated 04.04.2017 in TCA(HC)11&12&13/CAA/2016 passed different orders in relation to dispensing and holding & conducting the meeting of equity shareholders, secured & unsecured creditors of the petitioner companies. The petitioner companies complied with the orders passed by this Bench.
5. Shri P.H. Arvinth Pandian, learned senior counsel appearing for the Petitioner Companies submitted that the rational, reasons and circumstances that have necessitated the proposed scheme are that the amalgamation will enable consolidation of the business of the two entities into one entity which will facilitate in focused growth, operational efficiency, resulting in more productive utilization of said resources and cost & operational efficiency which would be beneficial to all stakeholders. The learned counsel further submits 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.
6. The notices were issued to the statutory authorities viz. Official Liquidator, Regional Director, RoC, Income Tax Authority, RBI and CCI as per the procedure prescribed. However, there has been no objection/representation to the proposed scheme under reference.
7. The Regional Director, Southern Region (In short, '**RD**') in its Report Affidavit (for brevity, '**Report**') dated 21.06.2017 submitted that as per

records of ROC, Chennai, the Transferor Company 1 is regular in filing its statutory returns and no investigation is pending against the company, therefore, RD decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits. However, in Para 9 of the Report of RD, it has been submitted that the MCA has ordered inspection of the Transferor Company 1 under section 206(5) of the companies Act, 2013 which has not yet been commenced. In this connection, it is submitted that the provisions of section 240 of the Companies Act, 2013 provides that the offences committed by the officers in default of the transferor company prior to the merger, amalgamation or acquisition shall continue after such merger, amalgamation or acquisition. In view of this, this Hon'ble Tribunal may issue necessary orders as deemed fit and proper.

8. With regard to the above observation made by the RD, the learned counsel submitted that the Transferee Company undertakes to comply with the provisions of the Act, 2013 and rules framed thereunder.
9. The Official Liquidator (In short, 'OL') in its report dated 17th July, 2017 submitted that M/s. Jai Krishn & Arun Associates, Chartered Accountants (Auditor) appointed by this Bench vide its order dated 04.04.2017, have scrutinized the books and accounts of the Transferor Companies 1 & 2. The said Auditor has broadly reviewed and observed that the Transferor Companies have maintained and written up all the statutory books in accordance with normally accepted accounting principle and fulfilled the requirements of the Companies Act, 2013 and also the affairs of the

companies have not been conducted in a manner prejudicial to the interest of its members, creditors or to the public interest.

10. The OL further submits that under the proposed scheme, the interest of all the workmen and employees in the service of the Transferor Company is safeguarded.

11. Further perusal of the scheme shows 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 Amalgamation will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. The Appointed date of the said Scheme is 1st April, 2016.

12. There is no additional requirement for any modification and the said Scheme of 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 compliances have been made under section 391 of the Companies Act, 1956. Taking into consideration the above facts, the Company Petitions are allowed and the scheme of Amalgamation annexed with the petitions is hereby sanctioned which shall be binding on the members, creditors and shareholders.


13. The Transferor Companies shall be dissolved without winding up from the date of the filing of the certified copy of this order with the Registrar of 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 Transferor Companies are directed to deposit Rs.60,000/- within 15 days of receipt of this Order to the office of the OL for making payment to the Auditor, who has investigated into the affairs of the Transferor Companies.
16. The Transferee Company is directed to comply with the provisions of the Companies Act, 2013 and rules framed thereunder as has been desired by the RD in the report dated 21st June 2017 in relation to the inspection of the Transferor Company 1 under section 206(5) of the Companies Act, 2013.
17. The Company 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.
18. 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.
19. Upon receiving the certified copy of this order, the RoC, Chennai is directed to place all the documents relating to the Transferor Companies with that of the Transferee Company and the files relating to the Transferor Companies shall be consolidated with the files and records of the Transferee Company.

20. 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 14th December, 2016.

21. Accordingly, the Scheme stands sanctioned and TP (HC)/85&86&87/CAA/2017 stands disposed of.


(S. Vijayaraghavan)
Member (T)


(Ch. Mohd. Sharief Tariq)
Member (J)

RLS