

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

TCP/83/CAA/2017

TCP/84/CAA/2017

[C.P. 228 & 229 of 2015]

In the matter of Scheme of Amalgamation of

**Rass Manufacturing India Private Limited
(Transferor Company)**

With

**Texelq Engineering India Private Limited
(Transferee Company)**

Order delivered on: 30.08.2017

For the Petitioner Companies: K. Ramaswamy, Advocate

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

ORDER

1. Under consideration are two Company Petitions filed before the Hon'ble Madras High Court under the provisions of the erstwhile Companies Act, 1956 which stood transferred to this tribunal pursuant to the Companies (Transfer of Proceeding Proceedings) Rules, 2016 and renumbered as TCP/83&84/CAA/2017. The purpose of the petitions is to obtain the sanction to the Scheme of Amalgamation (hereinafter referred to as '**Scheme**') by virtue of which Rass Manufacturing India Private Limited (hereinafter referred as '**Transferor Company**') is proposed to be amalgamated, merged and vested **with** Texelq Engineering India Private Limited (hereinafter referred as '**Transferee Company**') as a going concern.

2. The Share Capitals of the Companies as on 31st March, 2016 are as under:

Particulars	Authorized Capital	Issued & paid-up Capital	Equity Share-holders	Secured Creditors	Unsecured Creditors
Transferor Company	Rs. 15,000,000	Rs. 14,692,500	3	2	Nil
Transferee Company	Rs. 37,500,000	Rs. 35,045,400	5	Nil	Nil

3. Both the companies are Private Limited Companies having its registered office at 3-6-262, Survey No. 308/60 & Plot No. 20& 27, VGP Industrial Estate, Chettipedu, Sriperumbudur TK, Kanchipuram, Tamilnadu-602105 and the Board of Directors of the Transferor Company and Transferee Company vide their resolutions dated 11th August, 2016 and 9th February, 2017 respectively approved the said scheme of Amalgamation. Both the companies are engaged in the business of manufacturing and trading Rough, Machined & otherwise processed castings, forgings, bar stocks etc.
4. The Hon'ble Madras High Court vide its order dated 20.04.2015 in CA No. 407 of 2016 and CA No. 409 of 2015 dispensed with the convening and holding of the meeting of the equity shareholders of the Transferor Company and the Transferee Company respectively whereas in CA No. 408 of 2015, dispensed with the convening and holding of the meeting of the secured creditors of the Transferor Company.

5. Shri K. Ramaswamy, the learned counsel appearing for the Companies submitted that the rational of the scheme is that the Holding Company would be benefited from the said scheme of Amalgamation by integration of operations, simplification of business and optimal utilization of resources and better administration and cost reduction. Further, the resources of both companies would enhance its capability to expand and improve its efficiency of operations. He further submits that no investigation proceedings are pending against the Companies under section 235 to 251 or any other provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.
6. The learned counsel further submitted that the equity shares of the petitioner companies are not listed with any stock exchange, thus the petitioner companies do not require any compliance with the requirements of the Listing Agreement or any SEBI Rules/regulations.
7. To dispose of this petition as per the provisions of the Companies Act, 2013, the notices were issued to the statutory authorities as per the procedure prescribed. However, there were no objection to the scheme under reference.
8. The Regional Director, Southern Region (In short, '**RD**') in its Report Affidavit (for brevity, '**Report**') dated 28.01.2017 submitted that as per records of ROC, Chennai, the Transferor Company is regular in filing its statutory returns and no investigation is pending against the company. It

is further submitted that as per Clause 9 of the scheme, the employees of the transferor company will become the employee of the transferee company without any break. The RD decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits.

9. The Official Liquidator (In short, 'OL') in its report dated 9th March, 2017 submitted that M/s. S. Nalayiram & Associates, Chartered Accountants appointed on the order of the Hon'ble High Court, 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 principle 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.
10. The OL further submits that under Clause 9 of the proposed scheme, the interest of all employees in the service of the Transferor Company is safeguarded. As per Clause 12.1 of the said scheme, upon the scheme becoming effective, the transferee company shall, issue and allot, one fully paid up equity share at par for every 20 fully paid equity shares, of the transferor company. The OL submitted that the company petitions may be decided appropriately.

- 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 cost 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 Scheme is 01.07.2016.
- 12.** There does not require any modification and the said Scheme of Amalgamation appears to be fair and reasonable, not contrary to public policy and also not violative of any provisions of law. All the statutory compliances have been made under the Companies Act, 2013. Taking into consideration all the above, the Company Petition is allowed and the Scheme of Amalgamation annexed with the petition is hereby sanctioned which shall be binding on all the members, creditors and shareholders.
- 13.** 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.

14. 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.
15. Upon receiving the certified copy of this order, the RoC, Chennai is directed to place all documents relating to the Transferor Company with that of the Transferee Company and the files relating to the Transferor Company shall be consolidated with the files and records of the Transferee Company.
16. 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. The Petitioner Company do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.
17. 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 as has been notified on 14th December, 2016.
18. The scheme annexed with the petitions stands sanctioned and the Company Petition stands disposed of.



K. ANANTHA PADMANABHA SWAMY, MEMBER (J)

RLS