

FORM No. CAA.7

[Pursuant to section 232 and rule 20]

National Company Law Tribunal, Single Bench, Chennai

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of

M/s. KG Financial Software Private Limited

And

M/s. KG Software Private Limited

With

M/s. KG Information Systems Private Limited

Order under section 232

Under consideration are three Company Petition Nos. CP/88&89&90/CAA/2017 filed by the above mentioned Petitioner Companies under the provisions of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements & Amalgamation) Rules, 2016. All the statutory requirements under law have been fulfilled. The Petitioner Companies complied with all the directions given this Tribunal. The Petition came up for hearing before this Tribunal on 31.08.2017.

For the purpose of considering and approving without modification, the Scheme of Amalgamation of M/s. KG Financial Software Private Limited and M/s. KG Software Private Limited, the Transferor Companies, by transferring and vesting operation **with** M/s. KG Information Systems Private Limited, the Transferee Company.

Upon perusal and upon hearing Shri N.P. Vijay Kumar, R. Pradeep & P. Rajaji, the learned counsel for the Petitioner Companies on 31.08.2017,


THIS TRIBUNAL DO ORDER

- 1) That the Scheme of Amalgamation as annexed with the Petition alongwith Schedules is hereby sanctioned.
- 2) That all the property, rights and powers of the transferor companies specified in the schedule hereto and all other property, rights and powers of the Transferor companies be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vested in the Transferee company for all the estate and interest of the Transferor companies therein but subject nevertheless to all charges now affecting the same ; and
- 3) That all the liabilities and duties of the Transferor companies be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee company; and
- 4) That all proceedings now pending by or against Transferor companies be continued by or against the Transferee company; and
- 5) The Transferee Company is directed to file the amended MoA and AoA with RoC, Coimbatore as desired by the RD; and
- 6) That the Appointed date of the Scheme is 01.04.2016; and
- 7) That 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; and
- 8) The Petitioner Companies do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order; and
- 9) This Tribunal do further order that the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Tribunal for any directions that may be necessary with regard to the working of the said Scheme.

SCHEDULE

The Scheme of Amalgamation as sanctioned by the Tribunal contains the details of the properties, stocks, shares, debentures and other charges in action of the transferor companies.

Dated this 5th day of October, 2017, NCLT, SB, Chennai.


Registrar/Dy. Registrar

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI SINGLE BENCH
CORPORATE BRANCH, 3rd FLOOR
29, RAJA RAJESWARI SALAI, CHENNAI-600001

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

CP/88/CAA/2017
CP/89/CAA/2017
CP/90/CAA/2017
[CA/20&21&22/CAA/2017]

In the matter of Scheme of Amalgamation of

M/s. KG Financial Software Private Limited
(Transferor Company 1)

And

M/s. KG Software Private Limited
(Transferor Company 2)

With

M/s. KG Information Systems Private Limited
(Transferee Company)

Order delivered on: 27.09.2017

For the Petitioners: N.P. Vijay Kumar, Advocate
R. Pradeep, Advocate
P. Rajaji, Advocate

Per: K. Anantha Padmanabha Swamy, Member (J)

ORDER

1. Under consideration are three Company Petition Nos. CP/88&89&90/CAA/2017 filed by the above named Petitioner Companies under Section 230 of the Companies Act, 2013 r/w the Companies (Compromises, arrangements and Amalgamations) Rules 2016. The Petitioner Companies have prayed for the sanction to the Scheme of Amalgamation (hereinafter referred to as '**Scheme**') by virtue of which M/s. KG Financial Software Private Limited (hereinafter referred as '**Transferor Company 1**') and M/s. KG Software Private Limited ('**Transferor Company 2**') are proposed to be merged,

amalgamated and vested **with** M/s. KG Information Systems Private Limited (hereinafter referred as ‘**Transferee Company**’) as a going concern. All the companies are within the jurisdiction of RoC, Coimbatore and having registered office at No. 365, Thudiyalur Road, Saravanampatti, Coimbatore- 641035. Since all companies pertain to the same scheme of amalgamation, I take them together to pass a common final order.

2. The details of the Share Capitals, equity shareholders and creditors of the Petitioner Companies are as under:

Particulars	Authorized Capital	S, I & paid-up Capital	Share-holders	Secured Creditors	Unsecured Creditors
Transferor Company 1	Rs. 90,00,000	Rs. 500,000	3	1	3
Transferor Company 2	Rs. 1,00,000	Rs. 100,000	2	Nil	2
Transferee Company	Rs. 1,00,00,000	Rs. 1,00,00,000	3	Nil	10

3. At the outset, it is necessary to know the details of the scheme which needs determination. The Transferor Companies and the Transferee Company are Private Limited Companies and the Board of Directors of the Transferor Companies and the Transferee Company in their board resolutions dated 20th February 2017 have approved the said Scheme of Amalgamation. This Bench vide its order dated 21.04.2016 dispensed with the convening and holding the meeting of equity shareholders,

secured & unsecured creditors of all three petitioner companies. The petitioner companies complied with all the orders passed by this bench.

4. Learned counsel further submitted that the said scheme expected to enable better realisation of potential of the business which will yield beneficial results and enhanced value creation for their respective shareholders and better security and protection for their lenders and employees. The companies would benefit from the said Scheme due to the administrative and operational costs that will considerably be reduced; also it will strengthen, consolidate and stabilize the business of these companies and will facilitate further expansion and growth of their business. These combined resources will enhance its capability to expand and improve its efficiency of operations. The learned counsel further submits that no investigation proceedings are pending against the Petitioner Companies under section 235 to 251 or any other provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.
5. To dispose of this petition as per the provisions of the Companies Act, 2013, notices were issued to the statutory authorities as per the procedure prescribed. However, there were no objection to the scheme under reference.
6. The Regional Director, Southern Region (In short, 'RD') in its report affidavit dated 24.08.2017 submitted that the Transferor Companies are

regular in filing its statutory returns and no investigation is pending against them. It further submitted that clause 5 of Part II of the scheme provides for protection of the employees of the transferor companies. However, Para 10 of the report pointed out that as per clause 12 of Part II of the scheme, it is proposed to merge the authorised capital of the transferor companies with that of the transferee company, Therefore the transferee company may be directed to file the amended MoA and AoA with RoC, Coimbatore for records. The RD decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits.

7. With regard to the above observation made by the RD, the learned counsel submitted that the Transferee Company undertakes to file the amended MoA and AoA with RoC, Coimbatore.
8. The Official Liquidator (In short, 'OL') in its two separate reports dated 09.08.2017 submitted that M/s. G. Mukundan & Co., Chartered accountants and M/s. Muthukumar Associates, Chartered Accountants, the Auditors appointed by this Tribunal vide its order dated 21.04.2017, have scrutinized the books and accounts of the Transferor company 1 and Transferor Company 2 respectively. The Auditors have observed that the said two Transferor Companies have 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 and submitted that the petition may be decided appropriately.

9. 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 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 said Scheme is 1st April, 2016.
10. This Bench does not feel that any modification is required in the said Scheme as the same 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. Taking into consideration all the above, the Company Petition is allowed and the scheme of arrangement and amalgamation annexed with the petition is hereby sanctioned which shall be binding on the Transferor Companies, the Transferee Company and all creditors.
11. While approving the scheme as above, it is further clarified 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.

12. The Transferee Company is directed to file the amended MoA and AoA with RoC, Coimbatore.
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, Coimbatore.
14. Upon receiving the certified copy of this order, the RoC, Coimbatore is directed to place all documents relating to the Transferor Companies 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
15. The Petitioner Companies 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.
16. The Petitioner Companies 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. Accordingly, the scheme annexed with the petitions is sanctioned and
the Company Petitions stand disposed of.



K. Anantha Padmanabha Swamy, Member (J)

RLS