

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, CHENNAI**

CA No.156/CAA/2017

In the matter of Scheme of Amalgamation
Of
M/s. Prime Property Holdings Limited
(Transferor Company)
With
M/s. TVS Electronics Limited
(Transferee Company)
And
Their Respective Shareholders

Represented by: Advocate Mr. T K Bhaskar

Order delivered on 11.10.2017

ORDER

ANANTHA PADMANABHA SWAMY, MEMBER (JUDICIAL) :- (ORAL)

Under adjudication is a Joint Company Application 156/CAA/2017 that has been filed in the matter of the Scheme of Amalgamation of **M/s Prime Property Holdings Limited** (Transferor Company) and **M/s TVS Electronics Limited** (Transferee Company) through the application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, have prayed for seeking directions for:

- a) dispensing with the convening, holding and conducting of the meeting of the Equity shareholders of the Transferor Company
- b) dispensing with the convening, holding and conducting of the meeting of Unsecured Creditors of the Transferor Company
- c) convening, holding and conducting of the meeting of the Equity shareholders of the Transferee Company

- d) dispensing with the convening, holding and conducting of the meeting of the Secured Creditors of the Transferee Company
- e) dispensing with the convening, holding and conducting of the meeting of the Unsecured Creditors of the Transferee Company

M/s Prime Property Holdings Limited (Transferor Company)

1. There are seven Equity shareholders of the Transferor Company whose particulars are placed at page 61 of the typed set, certified by Shri R S Raghavan, Director and they have given their consent to the said scheme of amalgamation by way of consent affidavits, which are placed from Pages 62 to 78 of the typed set.

Since all the requirements under law have been fulfilled, therefore, convening, holding and conducting of the meeting of the Equity shareholders of the Transferor Company is dispensed with.

2. There are no Secured Creditor of the Transferor Company and certificate to this effect issued by Kumbhat & Co., Chartered Accountants is placed at page 79 of the typed set.

3. There is one Unsecured Creditor, whose particulars, certified by Kumbhat & Co., Chartered Accountants, is placed at page 80 of the typed set and his consent affidavit is placed at page 81 of the typed set.

Since all the requirements under law have been fulfilled, therefore, convening, holding and conducting of the meeting of the Unsecured Creditor of the Transferor Company is dispensed with.

4. Looking to the prayers made in the application in relation to the scheme of amalgamation, this Bench is inclined to issue notice to the Regional Director, Ministry of Corporate Affairs, ROC concerned, Income Tax authorities. The

authorities are directed to make objections/representations, if any, within 30 days from the date of the receipt of notice. In case no objection/representation is received within the stipulated time it shall be deemed that they do not have any objections.

5. The Registry is also directed to issue notice to the Official Liquidator who in turn, shall appoint a Chartered Accountant and submit a report with regard to the Transferor Company within four weeks from the date of receipt of this order.

6. The Transferor Company is directed to make publication of notices in newspapers one in English and the other in vernacular language, preferably in The Business Line (All India Edition) and Makkal Kural (Tamil Nadu Edition) having wider circulation, not less than 30 days before the next date of hearing of the petition. The Transferor Company is directed to place the notice on its website and also place the same on the notice board at the registered office of the company. The Transferor Company is also directed to send private notice to the authorities by way of speed post and file the proof of sending and effecting service of notice along with the paper publication by way of an affidavit before the next date of hearing. The Registry is also directed to display the notice on the notice board of the NCLT, Chennai.

M/s TVS Electronics Limited (Transferee Company)

1. There are 28,477 Equity shareholders of the Transferee Company whose shareholding pattern is placed at page 304 of the typed set.

2. This Bench appoints Mr. Gopal Srinivasan, Chairman of the Company, failing him, Mrs Srilalitha Gopal, Director of the Company, as Chairman for

conducting the meeting of Equity Shareholders on 27.11.2017 at 10.30 A.M. at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, No.168 (Old No.306), T T K Road, Chennai 600 014. The quorum for meeting of the Equity Shareholders shall be 200. In case, the said quorum is not present at fixed time for meeting, the meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

3. The notices in respect of the above meeting shall be issued at least not less than 30 days prior to the date fixed for meeting. The service of notice shall be effected by speed post/through electronic means, provided the e-mail address of the members/creditors available with the applicant company.

4. The applicant company is also directed to make available the facility for e-voting by making appropriate amalgamations. The information about such amalgamations shall be given to the participants well before the date fixed for the meeting. The persons who received the notices of meetings may vote in the meetings either in person or through proxy to the adoption of the scheme. The Chairman shall ensure that the proceedings of the meeting takes place in a just, free and fair manner. After one week of the meetings, the Chairman shall file report before this Bench.

5. There are two Secured Creditors whose particulars are placed at page 305 and 306 of the typed set, and the company has produced consent affidavit of one Secured Creditor, representing 100% of the total secured credit. The consent affidavit to the said scheme of amalgamation, is placed at pages 307 to 309 of the typed set.

Since all the requirements under law have been fulfilled, therefore, convening, holding and conducting of the meeting of the Secured Creditor of the Transferee Company is dispensed with.

6. There are 1240 Unsecured Creditors of the Transferee Company whose particulars are placed at page 310 to 332 of the typed set, certified by M/s Kumbhat & Co., Chartered Accountants. One Unsecured Creditor, representing 93.58% in value has given consent to the said scheme of amalgamation and the consent affidavit is placed at page 333 of the typed set.

Since all the requirements under law have been fulfilled, therefore, convening, holding and conducting of the meeting of the Unsecured Creditors of the Transferee Company is dispensed with.

7. Looking to the prayers made in the application in relation to the scheme of amalgamation, this Bench is inclined to issue notice to the Regional Director, Ministry of Corporate Affairs, ROC concerned, Income Tax authorities. There is no requirement of issuing notices to BSE and NSE as the applicant company has already received in-principle approval from the said Stock Exchanges. The authorities are directed to make objections/representations, if any, within 30 days from the date of the receipt of notice. In case no objection/representation is received within the stipulated time it shall be deemed that they do not have any objections.

8. The Transferee Company is directed to make publication of notices in newspapers one in English and the other in vernacular language, preferably in The Business Line (All India Edition) and Makkal Kural (Tamil Nadu Edition) having wider circulation, not less than 30 days before the next date of hearing of the petition. The Transferee Company is directed to place the notice on its website and also place the same on the notice board at the registered office of the company. The Transferee Company is also directed to send private notice to the authorities by way of speed post and file the proof of sending and effecting service

of notice along with the paper publication by way of an affidavit before the next date of hearing. The Registry is also directed to display the notice on the notice board of the NCLT, Chennai.

9. The petition shall be presented on or before 11.12.2017.


(K.Anantha Padmanabha Swamy)
Member (Judicial)

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