

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

CP/206 & 207/CAA/2017
[CA/25/CAA/2017]

Under Section 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Arrangement (Demerger)

Between

M/s. G.G.ORGANICS PRIVATE LIMITED
(U24297PY2006PTC001974)
(Demerged Company)

And

M/s. GG ORGANICS CARE PRIVATE LIMITED
(U24110TN2016PTC111384)
(Resulting Company)

Order delivered on: 18.12.2017

For the Petitioner(s): Shri S.A Inbavativu, Advocate

ORDER


Per: CH. MOHD SHARIEF TARIQ, MEMBER (J)

1. Under Consideration are Two Company Petitions No.206 & 207/CAA/2017 filed under Section 230 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules 2016. The instant Petition pertains to the proposed Scheme of Arrangement (Demerger) by virtue of which "Liquid Detergent Business Division" of M/s. G.G Organics Private Limited (hereinafter referred to as '**Demerged Company**') will merge with M/s. G.G Organics Care Private Limited (hereinafter referred to as '**Resulting Company**') as going concern.

2. The Details of Share Capital, Shareholders, Secured & Unsecured Creditors of the Companies are as under:

Particulars	Authorised Capital (Rs)	Issued, S&P Capital (Rs)	No. of Equity Share-holders	No. of Secured Creditors	No. of Un-secured Creditors
Demerged Company	Rs.3,00,00,000	Rs.3,00,00,000	2	3	190
Resulting Company	Rs.6,00,00,000	Rs.1,00,000	2	Nil	Nil

3. The Demerged Company is a Private Limited Company having its registered office at No. 122/6, Thuthipet Revenue Village, Villianure Commune, Pondicherry-605502. The Resulting Company is a Private Limited Company, having its registered office at No.2, Thirumurugan Street, Adhi Nagar, East Tambaram, Chennai - 600 059. The main object of the Petitioner Company **as set out in its Memorandum of Association**, is to carry on the business to manufactures, Exporters of leather tanning chemicals, liquid detergent and dealers in chemicals compounds in all forms, and chemical products of any nature and kind whatsoever etc. The object of the Resulting Company is to carry on the business as manufacture, produce, market, distribute, buy, sell, import, export, dealer, agent, wholesalers, consultants of all type of detergent in liquid, cake and powder etc. The Board of directors of petitioner company vide its resolution dated 1st Day of September, 2016 approved the said scheme of Arrangement (Demerger).

4. This Bench vide its order dated 20th June, 2017, passed in CA/25/CAA/2017 dispensed with the convening and holding of the meeting of the Equity Shareholders in respect of both the companies and unsecured creditors of demerged company.
5. The learned Counsel appearing for the Petitioner Companies submitted that the rationale and circumstances that have necessitated the proposed Scheme of Arrangement (Demerger) is to achieve better focused approach for both Companies in relation to their main business activities, efficiency of operation, administrative convenience, to achieve economies of sale and with intent to realigning the Detergent Business operations of (GGOPL). The management of (GGOPL) and (GGOCPL) have decided that (GGOPL) concentrate on and strengthen the core competencies and have greater focus on the leather chemical products business and (GGOCPL) concentrate on and strengthen the Detergent Business and thereby create more value for the Detergent Business undertaking, in the interest of maximizing value for 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 Regional Director, Southern Region (for short, '**RD**') in the Report Affidavit (for brevity, '**Report**') dated 06.09.2017 submitted that he has no objection and the Scheme be considered on merits. 

7. It has been stated that Demerged Company has 3 Secured Creditors, two of them have given affidavits and one of them given nil certificate. The Resulting Company has no Secured Creditor. The certificate of the Chartered Accountant confirms the same. There are 190 unsecured creditors in Demerged Company. They (122) have given no objection to the Scheme that constitutes 90.78% of the total credit. There is no Unsecured Creditor in the Resulting Company.
8. Clause 8 of the Scheme of the Companies provides for the protection of the employees of the demerged undertaking.
9. As per the report of RoC, Pondicherry and Chennai, the Demerged as well as the Resulting Companies are regular in filing its statutory returns. In respect of both the companies there is no prosecution filed, no complaints pending and no inspection/investigation has been conducted.
10. The notices were issued to the other regulators but none of them filed any objection. The Accounting Treatment is in conformity with the Accounting Standards, the Scheme is fair and the same will not affect the interest of the Shareholders, creditors and employees of both the Companies.
11. Therefore, the Scheme annexed with Petition stands sectioned. However, 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. All the statutory compliances have been made under section 230 to 232 of the Companies Act, 2013.

12. Therefore, the Scheme sanctioned shall be binding on each of the Companies, the Resulting Company and on all their respective Shareholders, creditors and employees. The Scheme shall become effective from the appointed date viz., 01.08.2016.

13. The 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.

14. 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.

15. The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notified on 14th December, 2016.

16. Thus, the Scheme stands sanctioned and CP/206 & 207/CAA/2017 stand disposed of.


(CH. MOHD SHARIEF TARIQ)
MEMBER (J)

TJS