

FORM No. CAA.7

[Pursuant to section 232 and rule 20]

National Company Law Tribunal, Division Bench, Chennai

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation

Between

M/s Vacon Drives and Controls Pvt. Ltd.

With

M/s Danfoss Industries Pvt. Ltd.

Order under section 232

The above named Petitioner Companies filed the Company Petition Nos. C.P. 352/2016 and C.P. 353/2016 before the Hon'ble Madras High Court which have been transferred to this Tribunal and renumbered as **TP(HC)/CAA/37/2017 and TP(HC)/CAA/41/2017 respectively**. All the statutory requirements under law have been fulfilled and the Hon'ble High Court has already completed the process. The petitioner companies complied with all the directions given by the Hon'ble High Court. The Petition came up for hearing before this Tribunal on 11.04.2017.

For the purpose of considering and approving without modification, the Scheme of Amalgamation of the Transferor Company Vacon Drives and Controls Pvt. Ltd. transferring and vesting operation with Danfoss Industries Pvt. Ltd., the Transferee company.

Upon perusal and upon hearing M. S. Murali, counsel for the Petitioner Companies on 11.04.2017,

THIS TRIBUNAL DO ORDER

- 1) That the Scheme of Arrangement & Amalgamation as annexed with the Petition alongwith Schedules is hereby sanctioned.
- 2) That all the property, rights and powers of the transferor company specified in the schedule hereto and all other property, rights and powers of the Transferor company 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 company therein but subject nevertheless to all charges now affecting the same ; and
- 3) That all the liabilities and duties of the Transferor company 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 company be continued by or against the Transferee company; and
- 5) That the Transferee company do without further application allot to such members of the Transferor company as have not given such notice of dissent as is required by the said compromise or arrangement herein the shares in the Transferee Company to which they are entitled under the said Compromise or Arrangement; and
- 6) The same shall be binding on the shareholders and the Secured & Unsecured Creditors of the Transferee Company and the Transferor Company; and
- 7) 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
- 8) 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 Arrangement and Amalgamation as sanctioned by the Tribunal contains the details of the properties, stocks, shares, debentures and other charges in action of the transferor company.

Dated this 17th day of April, 2017, NCLT, DB, Chennai.

G. Jagannathan
Registrar/Dy. Registrar

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR
29, RAJAJI SALAI, CHENNAI-600001.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

Argument heard on 11.04.2017

Order passed on 17.04.2017

TP (HC)/CAA/37/2017

[Connected with CP No. 352 of 2016 and CA Nos. 689, 690 & 693 of 2016]

AND

TP (HC)/CAA/41/2017

[Connected with CP No. 353 of 2016 and CA No. 687 & 687 of 2016]

**Under Sections 391 to 394 of the Companies Act, 1956 and the Corresponding
Sections 230 to 232 of the Companies Act, 2013**

In the matter of Scheme of Amalgamation of

M/s Vacon Drives and Controls Pvt. Ltd.

(Transferor Company)

With

M/s Danfoss Industries Pvt. Ltd.

(Transferee Company)

Represented by: Counsel M. S. Murali

CORAM

ANANTHA PADMANABHA SWAMY AND CH. MOHD SHARIEF TARIQ

MEMBERS (JUDICIAL)

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL): ORAL

1. Under consideration are two Company Petition Nos. 352 of 2016 and 353 of 2016 which have been transferred from the Hon'ble High Court of Madras to this Tribunal and renumbered as TP (HC)/CAA/37/2017 and TP (HC)/CAA/41/2017 respectively. The Hon'ble Madras High Court vide its order dated 10.08.2016, in CA No. 687 of 2016 dispensed with the convening and holding the meeting of the equity shareholders. In CA No. 688 and 689 of 2016, the Hon'ble High Court dispensed with the convening

and holding the meeting of the unsecured creditors whereas in CA No. 690 and 693 dispensed with the convening and holding the meeting of the equity as well as preference shareholders of the Transferor Company.


2. The Petitioner Companies have prayed for the sanction to the Scheme of Amalgamation (hereinafter referred to as '**Scheme**') of M/s. Vacon Drives and Controls Pvt. Ltd. (hereinafter referred as '**Transferor Company**') with M/s. Danfoss Industries Pvt. Ltd. (hereinafter referred as '**Transferee Company**') as a going concern and both the companies are having registered offices at 143, M.G.R Road, Perungudi, Chennai- 600096.
3. At the outset, it would be apposite to know the background facts under which the said Scheme of Amalgamation needs determination. The Transferor Company is engaged in the business of manufacturing, assembling, import, export and sale of Frequency Converters, AC Drives & their related components. The Board of Directors of the Transferor Company have approved the said Scheme of Amalgamation in its board meeting held on 7th June, 2016.
4. The learned Counsel for the Petitioner Companies submits that the main objects of both the companies are common and the rationale of the said Scheme is that both the companies would have the advantage of economies of scale by combining their respective business. The merged entity will have enhanced financial strength, organisational efficiencies and reduced administrative expenses. Also, the merged entity would offer a range of innovative products and value added services that would greatly benefit consumers. 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 company laws, the 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 its report affidavit filed on 23.02.2017 submitted that the petitions may be disposed of on merits. The Official Liquidator in its report dated 28th March, 2017 submitted that M/s Kuriachan & Nova, Chartered Accountants appointed by the OL have observed that the Transferor Company has maintained and written up all the statutory books in accordance with normally accepted accounting principle and also the affairs of the company have not been conducted in a manner prejudicial to the interest of its members or to public interest and therefore the said petition may be decided on merits.
7. Further perusal of the scheme shows that the accounting treatment seems to be 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 January, 2017.
8. We do not feel that any modification is required in the said Scheme of amalgamation 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 Petitions are allowed and the scheme of amalgamation annexed with the petition is hereby sanctioned which shall be binding on the Transferor Company, the Transferee Company and all creditors.

9. 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.
10. 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.
11. 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.
12. 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.


(ANANTHA PADMANABHA SWAMY)
MEMBER (JUDICIAL)


(CH. MOHD. SHARIEF TARIQ)
MEMBER (JUDICIAL)