

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

Argument heard on 17.04.2017

Order passed on 21.04.2017

**TP (HC)/CAA/134/2017
[Connected with CA No. 928 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 Parrys sugar Industries Limited
(Transferor Company)**

With

**M/s E.I.D. Parry (India) Limited
(Transferee Company)**

Represented by: Senior Counsel P. H. Arvinth Pandian

CORAM

**ANANTHA PADMANABHA SWAMY AND CH. MOHD SHARIEF TARIQ
MEMBERS (JUDICIAL)**

ORDER

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

1. Under consideration is a Company Application No. 928 of 2016 which has been transferred from the Hon'ble High Court of Madras to this Tribunal and renumbered as TP(HC)/CAA/134/2017. The Petitioner/Transferee Company has prayed for the sanction to the Scheme of Amalgamation (hereinafter referred to as 'Scheme') by virtue of which M/s Parrys sugar Industries Limited (hereinafter referred as 'Transferor Company') is proposed to be amalgamated with M/s E.I.D. Parry (India) Limited (hereinafter referred as 'Petitioner/Transferee Company') as a going concern, having registered office at Dare House, Parrys Corner, Chennai- 600001.

2. At the outset, it is necessary to know the details of the scheme which needs determination. The Board of Directors of the Transferor Company and the Transferee Company have approved the said Scheme of Amalgamation in their board meetings held on 10th May, 2016. The Hon'ble Madras High Court in CA No. 928/2016 vide its order dated 18.10.2016 directed for convening the meeting of the equity shareholders of the Transferee Company which was complied with by the Transferee Company.
3. Learned Counsel for the Petitioner Company, Mr. Arvinth Pandian submits that the Transferee Company is engaged to carry on the business as manufacturers, importers, exporters, agents, suppliers and dealers in sugar, sweets, condiments, pickles, seeds etc. and all kinds and forms of organic chemicals, heavy chemicals, graphite carbon or any other articles or things of a similar characters. The main objects of both the companies are common and the rational of the said Scheme is that the amalgamation would result in more efficient utilisation of capital, superior deployment of brand promotion, sales and distribution strategies, creating a consolidated and diversified base for future growth with a wider presence in the sugar segment. Also, both the companies would have the advantage of cost savings and greater efficiency in cash management. 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.
4. 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.
5. The Regional Director, Southern Region in its report affidavit dated 29.03.2017 submitted that the Transferee Company is regular in filing its statutory returns and no

investigation is pending against the company and the petition may be disposed of on merits. However, The RD has prayed that the Clause 14.3 the said Scheme provides that clause 4(1) of articles of association of the Transferee Company will be amended as provided under section 94 and 394 of the Companies Act, 1956, therefore the Transferee Company may be directed to file the amended articles of association with RoC, Chennai for his records and petition may be disposed of on merits.

6. With regard to the observation made by the RD in above Para, the counsel submitted that the Petitioner Company undertakes to comply with the same. The NSE and BSE through their Observation Letters dated 11.08.2016 have conveyed their 'No Objection' in terms of regulation 94 of SEBI (LODR) Regulations, 2015.
7. It is pertinent to mention herein that SSPA & Co. Mumbai, Chartered Accountants, the valuers appointed by the management of both the companies to carry out the relative valuation of equity shares have opined that the fair ratio of exchange should be 2 equity shares of the EID India Limited of INR 1 each fully paid up for every 13 equity shares of PSIL of INR 10 each fully paid up.
8. 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 April, 2016.
9. 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 Petition is 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. However, this order shall be subject to the order that may have been passed on the petition of the Transferor Company by the Hon'ble NCLT, Bengaluru Bench having jurisdiction to sanction the said scheme.

10. 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.
11. 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.
12. The Company do file with the Registrar of Companies the certified copy of this Order alongwith the amended Articles of Association within 30 days of the receipt of the order.
13. 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)