

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT HYDERABAD

C.P. 242 of 2016

(CP(TCAA) N. 21/HDB/2017)

Date of order : 03.04.2017

Adventures International Private Ltd
Jubilee Hills, Hyderabad – 500096,
Registered 8-2-293/82/F/C/30,
Road No. 8, Film Nagar,
Telangana,

.....Petitioner/Transferee Company

Counsel for the Petitioner :	Mr. V.Venkatarami Reddy along with Ms.Vanga Anitha
Counsel for Official Liquidator :	Mr. Anil Kumar
Counsel for Registrar of Companies:	Mr. B.Appa Rao

CORAM

Rajeswara Rao Vittanala, Member (Judicial)

CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

ORDER

(As per Rajeswara Rao Vittanala, Member (Judicial))

1. The present Company petition bearing C.P.No.242 of 2016 (CP(TCAA)No. 21/HDB/2017) is filed by Adventures International Private Ltd., before the Hon'ble High court of Judicature at Hyderabad for the state of Telangana & the State of Andhra Pradesh under Sections 391 and 394 of the Companies Act, 1956 read with Rules, 79, 80, 81 and 9 of the Companies (Court) Rules, 1959, by seeking the following reliefs:

- i) Sanction the scheme of amalgamation as per **ANNEXURE-N** enclosed here to either with any modification or modifications as this Hon'ble Court may decide or without any modification, as to be binding on all the shareholders and creditors of the petitioner company and on the petitioner company.
- ii) Order that the Transferor Companies shall be dissolved without going through the process of winding up, upon sanction of the Scheme of amalgamation of the transferor companies with the transferee company.



- iii) Order that the petitioner company shall file a certified copy of the order on this petition with the Registrar of Companies, Ministry of Corporate Affairs; Hyderabad within 30 days or such time as this Hon'ble Court may deem fit and fix.
- iv) Order that the records of the Transferor Companies shall be merged with the records of transferee company in the database maintained by Registrar of Companies including Authorised Capital, Charges registered against the Secured Loans availed by the transferor companies without any further application for such master data correction if any upon the register of Form No. INC28 by the Registrar of Companies.



2. The Company petition is transferred to this Tribunal by the Hon'ble High court, on 27-01-2017 pursuant to the Companies (Transfer of Pending Proceedings) Rules, 2016 issued vide Notification dated 07-12-2016, conferring jurisdiction on this Bench to decide this issue in the present case. Hence, we have taken the case on the records of this Bench and heard it on various dates viz., 31-01-2017, 15-02-2017, 01-03-2017, 15-03-2017, 22-03-2017 and 03-04-2017.

3. Brief contentions, which are stated in the Company petition and are relevant to resolve the issue involved in this present case are as under:

- i. The object of the petition is to obtain sanction of this Hon'ble Court to a proposed scheme of amalgamation of A.K. ENTERTAINMENTS (INDIA) PRIVATE LIMITED (Transferor Company No. 1), ADVANSOFT INTERNATIONAL LIMITED (Transferor Company No. 2) and OPPORTUNITY MEDIA PRIVATE LIMITED (Transferor Company No. 3) with ADVENTURES INTERNATIONAL PRIVATE LIMITED (Transferee Company) pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 w.e.f. 1st April 2015.

ii. M/s. Adventures International Private Limited (herein after referred to as the Transferee Company) was registered as Partnership Firm on 16th November 2004 under the name and style of "ADVENTUTES" with the Registrar of Firms, Hyderabad. The Firm has been converted as Private Limited Company as per the provisions of Chapter IX of the Companies Act, 1956 vide Fresh Certificate of Incorporation No. 01-070337 (CIN: U72200TG2010PTC070337) under the name and style **"Adventures International Private Limited"** issued by the Registrar of Companies, Hyderabad on 07-09-2010 (Seventh Day of September Two Thousand and Ten). The Registered Office of the Transferee Company is situated at 8-2-293/82/F/C/30, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500096, Telangana.

iii. The main objects of the Transferee Company, in brief, as set out in its Memorandum of Association are; to carry on the business of erstwhile firm M/s. Adventures under the name and style "M/s. Adventures International Private Limited" incorporated under part IX of the Companies Act, 1956, to carry on the business of Software Development, Multimedia Solutions, Software and Hardware Training etc., to carry on the business of Advertising Agency, Contractors, Sub Contractors, Agents, Designers, Advertising, Publicity etc., To represent, produce, manage, conduct and represent at any Theatre or other venue or place of amusement or entertainment plays or operas, revenues, promenades, and other exhibitions. To act as property Investments advisors/consultants, conduct property shows and other allied nature as may be agreed upon by the partners from time to time etc.

iv. The Present Authorised Share Capital of the Transferee Company is Rs. 2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 (Twenty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten Only) each. The Issued, Subscribed and Paid-Up Capital is Rs. 1,85,22,340 (Rupees One Crore Eighty Five Lakhs Twenty Two Thousand Three Hundred and Forty Only) divided into 18,52,234 (Eighteen Lakh Fifty Two Thousand Two Hundred and Thirty Four only) Equity Shares of Rs.10/- (Rupees Ten Only) each.



4. The financial summary of Transferee Company as on 31st March 2015 is given below:

(In Rupees)

31.03.2015 - 31.03.2014

EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1,85,22,340	1,85,22,340
Reserves and Surplus	73,23,827	67,46,733
Share Application Money	--	--
Non-Current Liabilities:		
a. Long-term borrowings	4,70,39,635	2,75,75,784
b. Deferred Tax Liabilities	20,51,451	13,95,690
c. Long-term Provisions	2,88,461	2,88,461
Current Liabilities:		
a. Short-term borrowings	34,66,698	21,45,281
b. Trade Payables	3,850	--
c. Other current liabilities	11,32,72,321+	6,57,62,128
d. Short-term Provisions	6,78,372	10,88,602
TOTAL	19,26,46,955	12,35,25,019
ASSETS:		
Non-current Assets		
Fixed Assets:		
Tangible assets	4,44,83,072	4,14,74,177
Capital work-in-progress	--	--
Non-current Investments	--	--
Long-term loans and advances	13,96,28,876	7,87,16,837
Other non-current assets	--	--
<u>Current Assets</u>		
Inventories	--	--
Trade Receivables	--	--
Cash & cash equivalents	26,61,445	10,43,057
Short-term loans & advances	58,73,562	22,90,948
Other current assets	--	--
TOTAL	19,26,46,955	12,35,25,019



5. The Transferor Company No. 1 viz. A.K. ENTERTAINMENTS (INDIA) PRIVATE LIMITED is originally incorporated under the Companies Act, 1956 in the State of Andhra Pradesh vide Corporate Identity Number. U92120TG2007PTC053675 under the name and style as "A.K. Screen Entertainment Private Limited" on 19th April 2007 (Nineteenth day of April Two Thousand Seven). Later on the name of the Company has been changed to "A.K.Entertainments (India) Private Limited on 16th December 2009 (Sixteenth day of December Two Thousand Nine). The Registered Office of the Petitioner /Transferor Company No. 1 is situated at 8-2-293/82/F/C/30, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500096, Telangana. -
6. The main objects of the Transferor Company No. 1, in brief, as set out in its Memorandum of Association are:

- i. To carry on the business to produce, promote, project, participate, manufacture, manipulate, treat, process, prepare, alter, develop, expose, edit, exhibit, make etc , remake, display, print, reprint, convert, duplicate, finish, buy, sell, run, import, export etc.
- ii. To carry on business as manufacturers, producers, dealers, traders, duplicators, stockiest, exhibitors, distributors, buyers, sellers, importers and exporters of audio and video cassettes etc.
- iii. To carry on, create, design and undertake computer graphics of all kinds including special jobs both in India and abroad and to develop, buy, sell and deal in packages for graphics etc.
- iv. To carry on business as producers, distributors, right holders, exhibitors, lessors and dealers in cinematograph films, telefilms, Tele Vision Serials/Episodes, documentaries.

7. The Authorised Share Capital of the Transferor Company No. 1 is Rs. 5,00,000/- (Rupees Five Lakhs Only) divided into 50,000 (Fifty Thousands only) Equity Shares of Rs.10/- (Rupees Ten Only) each. The Issued, Subscribed and Paid-Up Capital is Rs. 1,00,000/- (Rupees One Lakh Only) divided into 10,000 (Ten Thousand only) fully paid up Equity Shares Rs.10/- (Rupees Ten only) each. The Transferor Company No. 1 closes its financial year on 31st March each year. The latest audited financial summary of the Transferor Company No. 1 as on 31st March 2015 is given below:

	(In Rupees)	
	31.03.2015	31.03.2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1,00,000	1,00,000
Reserves and Surplus	(4,93,20,342)	(3,61,38,199)
Share Application Money	-	20,000
Non-Current Liabilities:		
Long-term borrowings	13,42,11,584	8,61,66,796
Long-term Provisions	--	--
Deferred Tax Liabilities	2,07,074	2,46,626
Current Liabilities:		
Short-term borrowings	--	--
Trade Payables	--	--
Other current liabilities	7,72,290	4,45,501
Short-term Provisions	--	--
TOTAL	8,59,70,606	5,08,40,724
ASSETS:		
Non-current Assets		
Fixed Assets:		
Tangible assets	10,39,157	16,15,797
Capital work-in-progress	--	--
WIP of Film Making	4,02,10,343	1,10,00,256
Non-current Investments	--	--
Long-term loans and advances	2,50,000	2,50,000



Current Assets		
Inventories	--	--
Trade Receivables	89,63,745	93,90,000
Cash & cash equivalents	11,55,687	4,75,442
Short-term loans & advances	3,43,47,034	2,81,02,269
Other current assets	4,640	6,960
TOTAL	8,59,70,606	5,08,40,724

8. The Transferor Company No. 2 viz. ADVANSOFT INTERNATIONAL LIMITED is originally incorporated under the Companies Act, 1956 in the State of Andhra Pradesh vide Corporate Identity Number. U45200TG2007PLC054573 under the name and style as "A.K. Infra Ventures International Private Limited" on 21st June 2007 (Twenty First day of June Two Thousand Seven). Later on the name of the Company has been changed to "Advansoft International Limited" on 20th November 2013 (Twentieth day of November Two Thousand Thirteen). The Registered Office of the Petitioner /Transferor Company No. 2 is situated at 8-2-293/82/F/C/30, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500096, Telangana.

9. The main objects of the Transferor Company No. 2, in brief, as set out in its Memorandum of Association, are as follows:

- i. To carry out all types of construction, execution, development, maintenance and implementation of all types of civil, mechanical, electrical and electronic works in India and elsewhere, such as residential and commercial complexes, etc.
- ii. To purchase, take on lease or in exchange or otherwise, acquire any estates, proprietary or otherwise, land or lands and any right of way, water right and other right and privileges and easements and concessions connected with them and other property real or personal, movable of any descriptions and develop and dispose of the same in any manner.
- iii. To carry on the business of running lorries, cranes, trucks, dumpers, bulldozers, crushers, drills, tankers, cars, buses and other vehicles of all descriptions as clearing and forwarding agents, handling and haulage contractors, garage proprietors, cargo superintendents, warehousemen and common carriers by land, rail etc , air and water, to establish and to maintain transport services, loading and

10. The Authorised Share Capital of the Transferor Company No. 2 is Rs 50,00,000/- (Rupees Fifty Lakhs only) divided into 5,00,000 (Five Lakh) equity shares of Rs 10/- (Rupees Ten only) each. The Present Issued, Subscribed and Paid Up Capital is Rs. 5,00,000/- (Rupees Five Lakh only) divided into 50,000 (Fifty Thousand) equity shares of Rs 10/- (Rupees Ten only) each. The Transferor Company No.2 closes its financial year on 31st March each year. The latest audited financial summary of the Transferor Company No. 2 for the Period ending 31st March 2015 is given below:



	(In Rupees)	
	31.03.2015	31.03.2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	5,00,000	5,00,000
Reserves and Surplus	5,96,446	(3,89,193)
Share Application Money	--	--
Non-Current Liabilities:		
Long-term borrowings	--	--
Long-term Provisions	--	--
Deferred Tax Liabilities (Net)	--	--
Current Liabilities:		
Short-term borrowings	--	--
Trade Payables	10,50,021	--
Other current liabilities	52,22,411	1,63,67,324
Short-term Provisions	--	--
TOTAL	73,68,878	1,64,78,131
ASSETS:		
Non-current Assets		
Fixed Assets:		
Tangible assets	5,01,161	1,80,591
Capital work-in-progress	--	--
Non-current Investments	--	--
Long-term loans and advances	--	--
Other non-current assets	--	--
Deferred Tax Assets	88,571	73,572
Current Assets		
Current Investments	--	--
Inventories	--	1,54,67,613
Trade Receivables	38,98,673	--
Cash & cash equivalents	3,69,212	6,34,450
Short-term loans & advances	--	--
Other current assets	25,11,261	1,21,905
TOTAL	73,68,878	1,64,78,131

11. The Transferor Company No. 3 viz. **OPPORTUNITY MEDIA PRIVATE LIMITED** (herein after referred to as the Transferee Company) was registered as Partnership Firm on 23rd February 2008 under the name and style of "OPPORTUNITY MEDIA" with the Registrar of Firms, Hyderabad. The Firm has been converted as Private Limited Company as per the provisions of Chapter IX of the Companies Act, 1956 vide Fresh Certificate of Incorporation No. 01-058395 (CIN: U72200TG2008PTC058395) under the name and style "**Opportunity Media Private Limited**" issued by the Registrar of Companies, Hyderabad on 28-03-2008 (Twenty Eighth Day of March Two Thousand and Eight). The Registered Office of the Transferor Company No. 3 is situated at 8-2-293/82/F/C/30, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500096, Telangana.

12. The main objects of the Transferor Company No. 3, in brief, as set out in its Memorandum of Association are as follows:



- i. To carry in the business of producers, transmitters and distributors of news, entertainment, advertisements, serials, documentaries, feature films, advertisement films, educational programmers, special programmers etc.
 - ii. To carry on the business of cinematographic film, television and video film producers, distributors and exhibitors in any language screened in India and elsewhere to establish, purchase take on lease or hire or otherwise acquire and maintain and to purchase etc.
13. The Authorised Share Capital of the Transferor Company No. 3 is Rs 22,00,00,000/- (Rupees Twenty Two Crore only) divided into 2,20,00,000 (Two Crore Twenty Lakh) equity shares of Rs 10/- (Rupees Ten only) each. The Present Issued, Subscribed and Paid Up Capital is Rs. 22,00,00,000/- (Rupees Twenty Two Crore only) divided into 2,20,00,000 (Two Crore Twenty Lakh) equity shares of Rs 10/- (Rupees Ten only) each. The Transferor Company No.3 closes its financial year on 31st March each year. The latest audited financial summary of the Transferor Company No. 3 for the Period ending 31st March 2015 is given below:

	(In Rupees)	
	31.03.2015	31.03.2014
EQUITY AND LIABILITIES		
Shareholders' Funds		+
Share Capital	22,00,00,000	22,00,00,000
Reserves and Surplus	(2,07,73,365)	(1,69,96,380)
Share Application Money	--	62,10,077
Non-Current Liabilities:		
Long-term borrowings	2,78,76,750	1,98,28,109
Long-term Provisions	--	--
Deferred Tax Liabilities (Net)	--	--
Current Liabilities:		
Short-term borrowings	--	38,40,000
Trade Payables	--	--
Other current liabilities	6,00,666	1,00,000
Short-term Provisions	--	--
TOTAL	22,77,04,051	22,23,81,806
ASSETS:		+
Non-current Assets		
Fixed Assets:		
Tangible assets	1,02,51,250	1,35,21,675
Capital work-in-progress	--	--
Non-current Investments	--	--
Long-term loans and advances	12,60,00,000	12,60,00,000
Other non-current assets	--	--
Deferred Tax Assets	11,28,050	8,40,050
Current Assets		
Current Investments	--	--
Inventories	--	--
Trade Receivables	8,11,24,398	8,11,24,398
Cash & cash equivalents	18,10,639	2,04,453
Short-term loans & advances	73,75,315	1,06,73,230
Other current assets	14,400	18,000
TOTAL	22,77,04,051	22,23,81,806



14. The objects / benefits of the proposed Scheme of Amalgamation, in brief, are as follows:

- i) Each of the several businesses carried on by Transferor Companies have significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each businesses or undertaking is capable of attracting a different set of business leaders, employees, investors, strategic partners, lenders and other stakeholders. Transferor Company No. 1 is engaged in the business to produce, promote, project etc , The Transferor Company No. 2 is engaged in the business of construction, execution, development, maintenance and implementation of all types of civil, mechanical, electrical and electronic works in India and elsewhere. The Transferor Company No. 3 is engaged in the business of producers, transmitters and distributors of news, entertainment, advertisements, serials etc. The Transferee Company is into the business of entertainment, construction, civil, electrical, technical works, Media, TV Channels, produce, exhibit and distribute films, videos etc. There are considerable synergies in combining all the existing activities of the stated companies so that a larger entity can come into being which can have the ability to access larger investments in the form of debt and equity which is otherwise would not be available for smaller and fragmented enterprises. In addition, all the companies are operating in the major segment or entertainment, constructions and its related activities and combination contemplated shall have advantages of all the economies of scale and in optimization of operations. Thirdly larger entities always attract good talent pool for handling the operations, which again is not available to small and fragmented companies, and in order to attract such talent into operations the combination contemplated would facilitate the same. The merger of these companies will result in a sizeable entity and facilitate to compete in in all respects such as financial viability, infrastructure, human resource, personnel management, production and marketing etc and will result in compete with National and International standards.
- ii) The infrastructure, Machineries and other equipment, technology owned by Transferor and Transferee companies are useful to one another in a greater manner. If the facilities, Machineries, equipments and resources are used together, the expenditure involved in engaging the machinery, labour, employees can be reduced to the



optimum level and the companies can be benefited with more productivity and profits.

- iii) This merger enables to have more market share and therefore it is in a position to set higher prices and make more profit. Increasing market share is necessary in a declining market with falling profitability.

15. It is stated that the Board of Directors of the Petitioner / Transferee Company had in its meeting held on 28th December 2015, passed a resolution approving the Scheme of Amalgamation to be effective from 01st April 2015 subject to the approval/directions of this Hon'ble High Court.
16. Salient Features of Scheme of Amalgamation are with effect from the Appointed Date, the entire business and whole of the undertakings of the Transferor Companies including all its properties and assets (whether movable or immovable, tangible or intangible) etc., be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

➤ **Transferor Company No. 1**

Transferee Company shall issue and allot to the equity shareholders of Transferor Company No. 1 and whose name appears in the Register of Members of Transferor Company No. 1 as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (One) Equity Share of the face value of Re. 10/- each of Transferee Company credited as fully paid-up, for every 24 (Twenty Four) Equity Shares of the face value of Rs. 10/- each of Transferor Company No. 1.

➤ **Transferor Company No. 2**

Transferee Company shall issue and allot to the-equity shareholders of Transferor Company No. 2 and whose name appears in the Register of Members of Transferor Company No. 2 as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (One) Equity Share of the face value of Re. 10/- each of Transferee Company credited as fully paid-up, for every 2 (Two) Equity Shares of the face value of Rs. 10/- each of Transferor Company No. 2.

➤ **Transferor Company No. 3**

Transferee Company shall issue and allot to the equity shareholders of Transferor Company No. 3 and whose name appears in the Register of Members of Transferor Company No. 3 as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (One) Equity Share of the face value of Re. 10/- each of Transferee



Company credited as fully paid-up, for every 42 (Forty Two) Equity Shares of the face value of Rs. 10/- each of Transferor Company No. 3.

➤ **Transfer of Authorized Capital**

The Authorized Capital of the Transferor Companies have to be transferred and merged with the Authorized Capital of transferee company without payment of any fee and or filing any Forms and deeds with Registrar of companies to this effect. Upon the sanction of the scheme and upon the said transfer and merger of Authorised Capital of Transferor Company No. 1, Rs. 5,00,000/- (Rupees Five Lakhs Only) divided into 50,000 (Fifty Thousands) equity shares of Rs. 10 /- each, Authorised Capital of Transferor Company No. 2, Rs 50,00,000/- (Rupees Fifty Lakhs) divided into 5,00,000 (Five Lakhs) equity shares of Rs. 10/- each and Authorised Capital of Transferor Company No. 3, Rs 22,00,00,000/- (Rupees Twenty Two Crore) divided into 2,20,00,000 (Two Crore Twenty Lakhs) equity shares of Rs. 10/- each with the Authorised Capital of Transferee Company Rs. 2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 (Twenty Lakhs) equity shares of Rs. 10/- each, the resulting Authorized Capital of Transferee company will become Rs. 24,55,00,000/- (Rupees Twenty Four Crore Fifty Five Lakhs only). In addition to the inclusion of the Authorised Capital of the transferor companies to that of transferee company as afore mentioned, the Transferee Company shall increase its Authorised Capital to the possible extent within the meaning of Section 61 of the Companies Act, 2013.



➤ **Winding up**

17. Upon the Scheme becoming effective, the Transferor Companies shall stand dissolved without going through the process of winding up.
18. The total number of members/share holders in the Transferee Company are 7 (Seven). All the members of the petitioner company have gone through the scheme and have given written consent for the proposed Scheme of Amalgamation through Affidavits declaring their shareholding and No Objection to the Scheme of Amalgamation. The same were filed before this Hon'ble Court vide Company Application Nos. 491 of 2016 based upon which this Hon'ble court has ordered on 06th April 2016 dispensing with the meeting of share holders of transferee company.

19. The Transferee Company has the following Secured Creditors as on 31.03.2015:

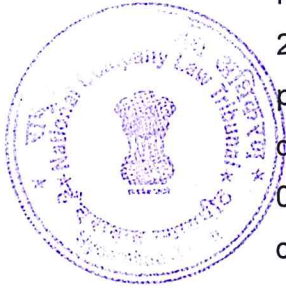
S. No.	Particulars	Amount (Rs)
1	HDFC Bank Ltd – Vehicle Loan	10,64,485
2	Axis Bank Ltd – Vehicle Loan (Verna Car)	32,962
3	Axis Bank Ltd – Vehicle Loan (Benz Car)	51,41,243
4	Kotak Bank	1,78,17,091
5	Axis bank Ltd – Vehicle Loan (Innova Car)	10,57,367
6	Tata Capital Housing Finance Ltd	2,19,26,487
7	Tata Capital Housing Finance Ltd	23,51,220
8	Kotak Bank	11,15,478
	TOTAL	5,05,06,333



20. The written consent of Secured Creditors were obtained and filed in the case.

21. The Petitioner Company has unsecured Loans/ unsecured-or trade Creditors to the extent of Rs. 10,76,56,143/-. No objection from unsecured/secured creditors/loans were submitted at the time of hearing of this petition. As per Clause 6 of the Scheme, the Loans and advances availed by the Transferor Companies shall become the Loans and advances of the Transferee Company. The Directors of the Petitioner Company have no material interest in the proposed Scheme of Amalgamation except as shareholders in general. The Scheme of Amalgamation is in the interest of the Transferee Company, Transferor companies, their employees and their members and all concerned.
22. The assets of the Transferee Company and Transferor Companies are sufficient to meet all the liabilities. The Scheme of Amalgamation does not involve any compromise with any Creditors of the Transferor Companies and Transferee Company and will not affect any of the Creditors of the Companies in any manner whatsoever. All the companies involved in the scheme of amalgamation are closely held companies and are unlisted.

23. I have heard Mr. V. Venkatarami Reddy along with Ms. Vanga Anitha Counsel for the Petitioner, Mr. Anil Kumar Counsel for Official Liquidator, Mr. B. Appa Rao Counsel for Registrar of Companies, and carefully perused all pleadings along with extant provisions.
24. The official Liquidator has filed his report dated 16th March, 2017 and he has not opposed scheme of amalgamation in question, and thus confirmed all the material averments made by the petitioner Company in the present petition by interalia stating that the proposed amalgamation, there are considerable synergies in combining all the existing activities of the stated companies so that a larger entity can come into being which can have the ability to access larger investments in the form of debt and equity which is otherwise would not be available for smaller and fragmented enterprises. And the merger of these companies will result in a sizeable entity and facilitate to compete in all respects such as financial viability, human resource, personnel management, production and marketing etc and will result in compete with National and International standards Therefore conclude that the Company appears to have not been conducted in a manner prejudicial to the interests of member or to public interest in general.
25. The Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad has filed an Additional Affidavit dated 9th March, 2017, in addition to affidavit dated 29.11.2016, by interalia confirming all the material averments made in the Company petition and further submitted that that in pursuance to General Circular No. 1/2014 dated 15.1.2014 issued by the Ministry of Corporate Affairs, New Delhi , a letter dated 08.08.2016 was issued to the Income Tax Department for submitting their comments/objections, if any within 15 days. And the petitioners companies also sent notices to Income Tax Department. However, there are no objections/comments received in response to those notices. The Hon'ble High court has also duly dispensed with requirement of meeting of the shareholders of petitioner companies. And further confirmed that companies involved in the present scheme are regular in filing statutory returns and no complaints, no investigations are pending against them. Therefore, he submits that the Scheme in question can be considered as per merits by the Tribunal.
26. The above facts and circumstances confirm that the Scheme of Amalgamation in question is initiated by the Companies for good and sufficient reasons for the interests of all stake holders of Companies involved; all statutory rules/regulations have been followed; All statutory authorities have not opposed it; the Companies have disclosed fair state of Affairs of the Companies by duly filing all statutory audit report, balance sheets; it has been duly approved by majority of stake holders and minority interests also are duly taken into consideration . Hence, I am of the considered opinion that the



scheme in question is fair and it is bonafide interests of all shareholders/creditors, all stake holders in the Company and for the Company itself and no public interest is caused to suffer by virtue of acceptance of Scheme in question and it deserves to be sanctioned.

27. In the result, Company petition bearing CP No. 242 of 2016(CP /TCCA No. 21/HDB/2017 is disposed of with the following directions:

- i) The scheme of amalgamation as per **ANNEXURE-N page 298-312** enclosed to the Company petition is hereby sanctioned and declared it shall binding on all the shareholders and creditors of the petitioner company and company itself;
- ii) Ordered that the Transferor Companies shall be dissolved without going through the process of winding up upon sanction of the Scheme of amalgamation of the transferor companies with the transferee company;
- iii) Order that the petitioner company shall file a certified copy of the order on this petition with the Registrar of Companies, Ministry of Corporate Affairs, Hyderabad within 30 days from the date of receipt of copy order and the ROC is further directed to take appropriate action on it;
- iv) Order that the records of transferor companies shall be merged with the records of Transferee Company in the data base maintained by Registrar of Companies including Authorized Capital, Charges registered against the Secured Loans availed by the transferor companies without any further application for such master data correction if any upon the register of Form No. INC28 by the Registrar of Companies;
- v) Hereby directed that the Company to strictly adhere to all terms and conditions mentioned in the Scheme without any deviation and in case, any deviation/variation of terms and conditions of the Scheme is required in the interest of business, it is open for the company to approach this Tribunal by way of suitable application seeking permission/directions;
- vi) Communicate this order sanctioning this Scheme to all stake holders by accepted mode of communication of Company as per rules and law.



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OF THE ORIGINAL

V. Annapoorna
V. ANNA POORNA
Asst. DIRECTOR
NCLT, HYDERABAD - 68

Sd/=

Rajeswara Rao Vittanala,
Member (Judicial)