

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD.**

CA(CAA)No.115/230/HDB/2017
&
CA(CAA)No.114/230/HDB/2017

U/s 230 to 232 of the Companies Act, 2013

In the matter of:

1. M/s. New Meena Bazar International Private Limited
Registered Office at
4-1-873, Flat No.114,
1st Floor, Business Towers,
Tilak Road, Abids,
Hyderabad Telangana
Rep. by its Director Mr.Sagar Jethwani
.....Applicant/Transferor Company/Amalgamating Company
2. M/s. Madevsag Retail Private Limited
Registered Office at
H.No.8-2-309/B/1/2
Road No.14, Banjara Hills
Hyderabad-500 034, Telangana,
Rep. by its Director
Mr.Devanand Jethwani
.....Applicant/Transferee Company/Amalgamated Company

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OF THE ORIGINAL**



Date of Order:17.11.2017

CORAM:

Hon'ble Shri Rajeswara Rao Vittalana, Member (Judicial)
Hon'ble Shri Ravikumar Duraisamy, Member (Technical)

Parties present:

Counsel for the Petitioner: Mr.V.S. Raju, Advocate

Per: Ravikumar Duraisamy, Member (Technical).

ORDER

1. The Present Company Application bearing No.CA(CAA)
No.115/230/HDB/2017 and CA(CAA).No.114/230/HDB/2017

in respect of New Meena Bazar International Private Limited (Transferor Company) and Madevsag Retail Private Limited are filed under section 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 along with other applicable provisions of the Act, by inter alia seeking an order to dispense with convening of the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Companies for consideration of the Scheme of Amalgamation between the Transferor Company and Transferee Company as envisaged under the said Scheme.

2. New Meenabazaar International Private Limited originally incorporated on 01.02.2006 later they obtained Fresh Certificate of Incorporation consequent on change of name as New Meena Bazar International Private Limited on 27.03.2006 and CIN U51494TG2006PTC048984.

3. **The "Transferor Company's" main objects are:**

- a. to carry on any of the business of import, export, market, trade and do business of wholesale, retail, stockiest, distributors, C&F Agents in all types of clothing, dress material, sarees, silk sarees, designer collections and all types of sarees, suiting's, shirting's, readymade cloth ware, knitted clothes, worsted suiting's, otherwise manufacture, buy and sell and deal in linen, cloth and other goods and fabrics whether textile, felted, netted or looped.
- b. to buy, take on lease, grant or otherwise acquire printing and dyeing mills sizing industries looms run either by hand or by power and to acquire any such rights easement, interest, land or any other property in or outside India and any interest therein and to run, work export, develop turn to account the same;



- c. to carry on all or any of the business of cotton, silk mercers, weavers, cloth manufactures, hosiers, carpet makers, importers and wholesale and retail dealers of and in textile fabric of all kinds;
 - d. to carry on the business of Trading in handmade Articles, handmade fashions, handicrafts, arts, cultural items, any handicrafts from any part of the world, leather goods, plastics, paper, frames and to conduct exhibitions, shows for its sale promotions.
4. The Transferor Company is engaged in the business of import, export, market, trade and do business of wholesale, retail, stockist, distributors, C&F agents etc.
 5. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on the date of incorporation i.e. 31.03.2017 is as follows:

Particulars	Amount in ₹
Authorised Share Capital 50,00,000 Equity Shares of Rs.10/- each	5,00,00,000
Issued, Subscribed and Paid-up 20,00,000 Equity Shares of Rs.10/- each, fully paid up	2,00,00,000

Particulars of Transferee Company:

6. Madevsag Retail Private Limited was incorporated on 23.03.2017 as a Private Limited Company in the State of Telangana under CIN U52609TG2017PTC116102.
7. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on the date of incorporation i.e. 31.03.2017 is as follows:

Particulars	Amount in ₹
Authorised Share Capital 10,000 Equity Shares of Rs.10/- each	1,00,000
Issued, Subscribed and Paid-up 10,000 Equity Shares of Rs.10/- each, fully paid up	1,00,000



8. **The “Transferee Company” main objects are:**

- a. to run either by hand or by power and to acquire any such rights easement, internet, land or to carry on any of the business of import, export, market, trade and do business of wholesale, retail, stockiest, distributors, C&F Agents in all types of clothing, dress material, sarees, silk sarees, designer collections and all types of sarees, suiting's, otherwise manufacture, buy and sell and deal in linen, cloth and other goods and fabrics whether textile, felted, netted or looped.
- b. to buy, take on lease, grant or otherwise acquire printing and dyeing mills sizing industries looms run either by hand or by power and to acquire any such rights easement, interest, land or any other property in or outside India and any interest therein and to run, work export, develop turn to account the same;
- c. to carry on all or any of the business of cotton, silk mercers, weavers, cloth manufactures, hosiers, carpet makers, importers and wholesale and retail dealers of and in textile fabric of all kinds;
- d. to carry on the business of Trading in handmade Articles, handmade fashions, handicrafts, arts, cultural items, any handicrafts from any part of the world, leather goods, plastics, paper, frames and to conduct exhibitions, shows for its sale promotions.

9. The Transferee Company is engaged in the business of cloth and dress material etc.

10. The main objectives of the proposed scheme and its main benefits are inter alia summarized as under:



- a. the amalgamation will enable appropriate consolidation of activities of Amalgamation Company and Amalgamated Company with pooling and more efficient utilisation of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.
- b. to achieve consolidation, greater integration and financial strength and flexibility which will maximize overall shareholder value and improve the competitive position of the combined entity.
- c. to achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity, which can be deployed more effectively to fund organic and inorganic growth opportunities
- d. the amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory fillings, regulatory compliances, labour law / establishment related compliances.



11. In view of the aforesaid advantages, the Board of Directors of the Applicant Company vide its Resolution dated 26.07.2017 approved the Scheme.
12. No investigation or proceedings have been instituted or are pending against the Transferor Company and Transferee Company.
13. There are (6) Six Shareholders in the Transferor Company and all of them have given their consent to the proposed scheme of Amalgamation by means of Sworn Affidavits. A copy of the list of Equity Shareholders and the consent affidavits submitted by the said Equity Shareholders of the Transferor Company are made available in the records.

14. The Number of Shareholders of the New Meena Bazar International Private Limited as on 31.03.2017 are as follows:-

S.No.	Shareholder	No. of Equity Shares	Total Paid-up Value (in ₹)	Percentage of shares held
1	Devanand Jethwani	5,00,000 Equity Shares of ₹ 10 each	50,00,000	25%
2	Sagar D Jethwani	4,90,000 Equity Shares of ₹ 10 each	49,00,000	24.5%
3	Manoj D Jethwani	4,90,000 Equity Shares of ₹ 10 each	49,00,000	24.5%
4	Vandana D Jethwani	5,00,000 Equity Shares of ₹ 10 each	50,00,000	25%
5	Ekta Jethwani	10,000 Equity Shares of ₹ 10 each	1,00,000	0.5%
6	Geeta Jethwani	10,000 Equity Shares of ₹ 10 each	1,00,000	0.5%
	Total	20,00,000	2,00,00,000	100%



15. The above (6) Six are also the Shareholders of Transferee Company and their percentage of shareholding in Transferee Company is also the same as above. There are No Creditors in the Two Applicant Companies.

16. The Learned Counsel for Applicant Companies has filed Memo dated 16.11.2017 confirming that a copy of the Application together with all enclosures were served on the Regional Director, South East Region, Registrar of Companies, Hyderabad, Andhra Pradesh and Telangana and the Income Tax Authorities and copies of the acknowledgements received from them are filed.

17. The case was listed on 16.10.2017, 03.11.2017 and on 17.11.2017 Orders Reserved.

18. We have heard Mr. V.S.Raju, learned Counsel for the Applicant Companies and have also carefully perused the material documents filed by the Applicants, examined the objects of the



Scheme of Amalgamation in question, and also the submissions of the Applicant Companies. The Applicant's submitted that the scheme is initiated for over all benefits of its shareholders and all interested parties and the Companies involved have complied with all requisite conditions as per law, to claim dispensation of conducting meeting of Shareholders. Therefore, we are of the considered view that it would not serve any meaningful purpose to again order to hold meetings of Shareholders. In the interest of ease of doing business, it would be just, proper and expedient to accede to the prayer of applicant Companies.

19. In the result the above Company Applications bearing CA(CAA)No.115/230/HDB/2017 and CA(CAA)No.114/230/HDB/2017 are allowed with the following direction:
 - a. Dispensed with convening meetings of Equity Shareholders of the above two Applicant Companies for consideration of the Scheme of Amalgamation.
 - b. The Applicant Companies are directed to communicate this Order to the Registrar of Companies, Hyderabad, Regional Director (SER), Ministry of Corporate Affairs, Income Tax Department and all other concerned Authorities within three weeks from the date of receipt of copy of this Order.

Sd/-
RAVIKUMAR DURASAMY
 MEMBER (TECHNICAL)

Sd/-
RAJESWARA RAO VITTANALA
 MEMBER (JUDICIAL)

**CERTIFIED TO BE TRUE COPY
 OF THE ORIGINAL**

[Signature]
 Dy. Regr./Asst. Regr./Court Officer/
 National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
 केस संख्या
 CASE NUMBER *CA(CAR)No.115/230/HDB/2017*
 निर्णय का तारीख
 DATE OF JUDGEMENT *17.11.2017*
 प्रति तैयार किया गया तारीख
 COPY MADE READY ON *24.11.2017*