

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
AT HYDERABAD**

CA(CAA)No.30/230/HDB/2017

Date of order: 04.05.2017

M/s Rexnord India Private Limited
Having registered office at
Plot No.22, C.I.E Phase-II, Gandhi Nagar,
Balanagar, Hyderabad – 500 037.
Telangana.

... Applicant/Transferor Company

Parties Present:

Counsel for the Applicant: Mr. V.S. Raju along with Mr. V.B. Raju.

CORAM

Hon'ble Mr. 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 Application bearing CA(CAA)No.30/230/HDB/2017 is filed by M/s Rexnord India Private Limited (hereinafter referred to as "Applicant/Transferor Company"), under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 by inter-alia seeking to dispense with meetings of the Equity Shareholders and Unsecured Creditors of the Applicant/Transferor Company and pass necessary consequential orders.
2. Brief facts, which are relevant to issue in question, are as follows:
 - a) **Details of the Transferor Company:**
 - i) M/s Rexnord India Private Limited (hereafter referred to as "Transferor Company") was originally registered as a Private Limited Company on 30.05.2008 under the Companies Act,

1956 in the State of Maharashtra. Later on, the jurisdiction of Registrar of Companies, Mumbai has been transferred to jurisdiction of Registrar of Companies, Pune on 09.02.2010. Subsequently, the Company had changed its Registered Office from the State of Maharashtra to the State of Telangana by passing a special resolution on 29.08.2016 and on obtaining the approval of the Central Government on 10.01.2017. A fresh certificate of incorporation consequent on the transfer of its Registered Office from the State of Maharashtra to the State of Telangana was issued by the Registrar of Companies, Andhra Pradesh and Telangana on 10.02.2017. The Registered Office is situated at Plot No.92, C.I.E Phase-II, Gandhi Nagar, Balanagar, Hyderabad, Telangana -- 500 037.



- ii) The main objects, as set out in the Memorandum of Association, in brief, are to carry on business as an exporter, importer, purchaser, seller, and the trader of (including manufacturing, distributing, warehousing, assembling, installing, maintaining, repairing and servicing): (1) Power transmission products and components; including but not limited to gears, couplings, industrial bearings, flattop chain and modular conveyer belts, aerospace bearings, and seals, special components and industrial chain and conveying equipment serving the industrial and aerospace market; (2) Water management products and components, including but not limited to, professional grade specification drainage, PEX piping, commercial brass and water management and wastewater treatment and control products, serving the infrastructure, commercial and residential markets and (3) any other similar products.

- iii) The authorised, issued, subscribed and paid-up share capital as on 31.03.2016 was as under:

Authorised Share Capital	Amount (Rs.)
2,00,000 Equity Shares of Rs.10 each	20,00,000
Issued, Subscribed and Paid-up Capital	
33,802 Equity Shares of Rs.10 each	3,38,020

Subsequent to the above date and till the date of filing the Scheme, there has been no change in the issued, subscribed and paid up capital of the Applicant/Transferor Company.

b) **Details of Transferee Company:**

- i) M/s Euroflex Transmissions (India) Private Limited was incorporated as a Private Limited Company on 16.12.1991 under the Companies Act, 1956. The Registered office of the Transferee Company is situated at Plot No.99, C.I.E Phase-II, Gandhi Nagar, Balanagar, Hyderabad, Telangana – 500 037.

- ii) The main objects of the Transferee Company, as set out in the Memorandum of Association, in brief, are to carry on the business as manufacture, buyers, sellers, importers, exporters, and agents and reconditioners for all kinds of Mechanical Transmission products including shaft couplings of all kinds, and components, parts, accessories and raw materials there of etc.

- iii) The authorised, issued, subscribed and paid-up share capital of the Applicant/Transferor Company as on 31.03.2016 was as under:

Authorised Share Capital	Amount (Rs.)
30,000 Equity Shares of Rs.10 each	3,00,000



Issued, Subscribed and Paid-up Capital	
18,857 Equity Shares of Rs.10 each	18,85,700

Subsequent to the above date and till the date of filing the Scheme, there has been no change in the issued, subscribed and paid up capital of the Transferee Company.

3. It is further submitted that the Transferor Company and the Transferee Company are part of Rexnord Group of Companies, headquarters at Milwaukee, Wisconsin, USA and the objects of the Transferor Company complement the objects of the Transferee Company and the amalgamation of these companies have the following benefits:-

- i) To fully integrate as single entity so as to provide more manufacturing facility of both Transferor Company and Transferee Company under one roof.
- ii) To enhance the scale of operations thereby providing significant impetus to the growth of both the companies, since they are engaged in line of business that could draw upon synergies between both Transferor and Transferee Companies.
- iii) Consolidation of the Transferor Company with the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital, improved financial structure and create a stronger asset base for future growth of the amalgamated entity.
- iv) The amalgamation would improve the financial resources, managerial, technical and marketing expertise of the Transferor Company and the Transferee Company thereby enabling the amalgamated entity to compete successfully in the ever increasing



competition industry and pruning the operational and administrative costs, etc.

4. In view of the aforesaid advantages, the Board of Directors of the Applicant/Transferor Company vide its Meeting held on 06.03.2017 approved the Scheme of Amalgamation, which is enclosed to the application.
5. It is stated that no investigation or proceedings have been instituted or are pending against the Applicant/Transferor Company. There are 2 (Two) Equity Shareholder in the Applicant/Transferor Company i.e. Rexnord FlatTop Europe BV (99.99%) and Rexnord Industries, LLC (0.01) and both of them have given their consent to the proposed Scheme by means of affidavits dated 14.03.2017. Hence, the Applicant/Transferor Company requested the Hon'ble Tribunal to dispense with the meeting of the Equity Shareholders as the same is not required.



At present there are 12 (Twelve) Unsecured Creditors in the Applicant/Transferor Company and Out of 12 Unsecured Creditors, 7 (Seven) Unsecured Creditors have given their consent by means of affidavits, which constitutes 99.56% of the total amount due. Hence, the Applicant/Transferor Company requested the Hon'ble Tribunal to dispense with the meeting of the Unsecured Creditors as the same is not required.

7. Therefore, the Applicant/Transferor Company has sought the reliefs as mentioned supra.
8. I have heard Mr. V.S. Raju & Mr. V.B. Raju, Learned Counsels for the Applicant/Transferor Company and I have carefully perused all documents filed along with relevant provisions of Companies Act, 2013. The Applicant/Transferor Company has fulfilled requirements to grant

dispensation as sought for. There would be no purpose served to order to conduct any meetings of those Shareholders as they have all submitted their voluntary declarations by accepting the scheme of Amalgamation in question. Hence, the Applicant/Transferor Company is entitled to grant dispensation for meetings of its Equity Shareholders and Unsecured Creditors.

9. In the result, the CA(CAA)No.30/230/HDB/2017 is allowed with the following directions:-

- a) Dispensed with the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant/Transferor Company.
- b) The Applicant/Transferor Company is directed to communicate this order to Registrar of Companies, Hyderabad and other concerned authorities.
- c) The parties who have not given their consent to the Scheme of Amalgamation are at liberty to express their views at the time of filing Company Petition by the Applicant/Transferor Company.



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

V. Annapoorna
V. ANNAPOORNA
Asst. DIRECTOR
NCLT, HYDERABAD.

Sd/-
Rajeswara Rao Vittanala
Member (Judicial)

*Order received by the
Registry on 28-06-2017*