

**THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-I**

C.P. (CAA)93/MB/2024

In

C.A. (CAA) 814/MB/2019

c/w

C.P. (CAA)94/MB/2024

In

C.A. (CAA) 815/MB/2019

c/w

C.P. (CAA)96/MB/2024

&

C.A. (CAA) 816/MB/2019

In the matter of

The Companies Act, 2013;

&

In the matter of

The Sections 232 r/w Section 230 of

The Companies Act, 2013

*and other applicable provisions of The
Companies (Compromises, Arrangements
and Amalgamations) Rules, 2016;*

AND

In the matter of

Scheme of Amalgamation

Eurodye Ctc (India) Private Limited

CIN: U74900MH2008PTC188469

...Transferor Company 1

Britacel Exports Private Limited

CIN: U51900MH1992PTC067356

...Transferor Company 2

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**Crosfield Textile Chemicals (India) Private
Limited**

CIN: U24200MH2008PTC187962

...Transferee Company

(Collectively referred to as 'the Petitioner Companies')

Order delivered on 18.07.2024

Coram:

Shri Prabhat Kumar

Justice V.G. Bisht (Retd.)

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

Appearances (through)

For the Petitioner

:

Mr. Ganesh Shetty, PCS

For the Regional Director

:

Mr. Bhagwati Prasad, Deputy
Director, Western Region,
Mumbai, MCA

ORDER

1. Heard the learned Authorized Representative for the Petitioner as well as the Authorized Representative of the Office of the Regional Director, Western Region, Mumbai. Neither any objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition, except otherwise

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2. The present scheme is a scheme of Amalgamation sought u/s 232 r/w Section 230 and other applicable provisions of the Companies Act, 2013 amongst **Eurodye Ctc (India) Private Limited** (Transferor Company 1) **Britacel Exports Private Limited** (Transferor Company 2) **Crosfield Textile Chemicals (India) Private Limited** (Transferee Company).
3. The Board of Directors of Transferor Company 1 & 2 & Transferee Company have approved and amended the appointed date instead of earlier appointed date 01.04.2018 revised the appointed date 01.04.2022 in its meeting held on 25.01.2019 & 01.03.2022. The bench allowed the appointed date to be 01.04.2022 and has taken on record the request of the applicant counsel, this is in compliance of the MCA circular F.No.7/12/2019/CL-1 General Circular 09/2019 dated 21.08.2019.
4. M/S. Eurodye CTC (INDIA) Private Limited was incorporated on 25th of November, 2008 under the name and style Eurodye CTC (India) Private Limited in the State of Maharashtra with the Corporation Identification Number U74900MH2008PTC188469,. The Transferor Company is engaged in the business of manufacturers, traders, Importers, exporters, Indenters, buyers, sellers, dealers, stockist, distributors in all types of textile auxiliarles and chemicals and their by- products, physical and other analysis, examination of chemicals, auxillaries, ores, minerals, oils, drugs, chemicals, solls and the products required for the business of the company and the business of purification's distillations,

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standardization of natural products and essential oils, chemicals, drugs, and industrial laboratory and agro-chemicals required by trade, industry and agriculture.

5. M/s Britacel Exports Private Limited is a Company was incorporated on 23 June, 1992 under the name and style Britacel Exports Private Limited in the State of Maharashtra with the Corporation Identification Number U51900MH1992PTC067356. The Registered office of the Company situate at Plot No. C-27, C Wing, Raj Industrial Complex, Marol, Andheri (East), Mumbai 400059. IN. (herein after referred to as Transferor Company) The Transferor Company is engaged in the business of exporters, dealers, whole sellers, retailers in chemicals, Silicones, Textile Intermediates Dyes and polymers.
6. M/S. Crossfield Textile Chemicals (India) Private Limited was Incorporated on 04th November, 2008 under the name and style Crossfield Textile Chemicals (India) Private Limited" In the State of Maharashtra with the Corporate Identification Number U24200MH2008PTC0187962. The Registered office of the Transferee Company situated at F-18 Street No 23 MIDC, Marol Andheri E, Mumbai MH 400093. (herein after referred to as Transferee Company). The Transferee Company Is engaged in business of manufacturers, traders, importers, exporters, Indenters, buyers, sellers, stockiest, distributors in all types of textile auxiliaries, chemicals and their by-products, physical and other analysis, examination of chemicals, auxiliaries ores, minerals, oils, drugs, chemicals, soils and the products required for the business of the

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Company and business of purification's distillations, standardization etc of natural products and essential oils, chemicals, drugs, and Industrial laboratory and agro chemicals required by Trade, industry and Agriculture.

7. Rationale for the Scheme:

The business activities of the Transferor Companies and the Transferee Company complement each other. Therefore, in order to achieve inter-alla economies of scale and efficiency, the merger of the companies is being undertaken.

The amalgamation of the Transferor Companies with the Transferee Company would inter alia have the following benefits:

- a. Greater Integration, greater financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value and will improve the competitive position of the combined entity,
- b. Improved organizational capability and leadership, arising from the pooling of resources to complete successfully in an Increasingly competitive Industry.
- c. Greater leverage in operations planning and process optimization and enhanced Flexibility.
- d. Cost savings are expected to flow from more focused operationa efforts, rationalization, standardisation and simplification of business processes, administration, finance, accounts, legal, audit, compliances and other related functions, leading to elimination of duplication and rationalization of administrative expenses.

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- e. To enable the group to attract and retain talent in a cost-effective manner by consolidating its operations across geographical locations.
- f. Simplification of group structure by eliminating duplication of work, multiple entities in similar business thus enabling focus on core competencies and unlocking of value through operating Independence of each vertical.

8. Consideration:

5.1 Upon the sanction of the Scheme of Amalgamation, Transferee Company shall, without any application or deed, issue and allot equity Shares, credited as fully paid up, to the extent Indicated below, to the members of Transferor Companies holding fully paid-up equity shares In Transferor Companies and whose names appear in the Register of members of Transferor Companies, on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Companies In the following proportion viz.:

"71,520 fully paid up equity shares of Rs.10/- each of Transferee Company shall be issued and allotted to 25,000 equity shares of Rs.100/- each held in Transferor Company M/ S Britacel Exports Private Limited and further;

70" fully paid up equity shares of Rs.10/- each of Transferee Company shall be issued and allotted to 20,000 equity shares of Rs. 10/- each held in Transferor Company M/s Erudye CTC (india) Private Limited (hereinafter referred to as "New Equity Shares")"

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9. The Petitioners further submits that the present Company Petition is filed in consonance with Section 232 r/w Section of the Companies Act, 2013 and in terms of order pronounced on 04.01.2024 in **C.A. (CAA) 814/MB/2019, C.A. (CAA) 815/MB/2019 and C.A. (CAA) 816/MB/2019** and have complied with all requirements as per directions of this Tribunal and they have made requisite filings to demonstrate compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements required under the Companies Act, 2013 and the rules made thereunder. The said undertaking is accepted.
10. The Regional Director has filed his Report dated 03.07.2024 making certain observations and the Petitioner Companies have undertaken/made following submission that: -
- i. The Petitioner Companies shall comply with the provisions of section 232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the Transferor Companies against any fees payable by the Transferee Company on its authorized capital subsequent to the Scheme;
 - ii. The interest of the creditors shall be duly protected under scheme.
 - iii. The Scheme enclosed in the Company Application and Company Petition are one and the same and there is no discrepancy, or no change is made;

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- iv. The Date of Filing the Company **Application Scheme is 27.07.2021 and the appointed date is 01.04.2022, therefore it is within 1 year** and it complies with the circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs. Upon the direction of Hon'ble NCLT Bench No: 1 on 24.02.2023 to amend the appointed date instead of earlier appointed date 01.04.2018 accordingly the Board revised the appointed date 01.04.2022;
- v. The approval of the Scheme by this Tribunal may not deter the sectoral regulators to deal with any issues arising after giving effect to the Scheme and all issues arising shall be met and answered in accordance with law.;
- vi. The Transferee Company will comply with Income Tax Provisions in relation to proceedings/claims under Income Tax Act against the Transferor Company.
11. Mr. Bhagwati Prasad from the Office of Regional Director (WR), Mumbai, appeared on the date of hearing and submitted that the above explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.
12. The Official Liquidator has filed his Report dated 8th May, 2024 inter-alia stating that the affairs of the Transferor Company have been conducted in proper manner.
- i) The Transferor Company -1 had Current Assets as Cash and Cash Equivalents of Rs. 30,276 on 31.03.2018. During the pendency of

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the scheme, cash balance has been eroded for the routine filing and audit expense and other professional expenditure over the years so therefore at the Financial year end 31.03.2023, therefore company's Networth stands negative.

13. We have perused the OL report as well as the submissions give by the Petitioner Company. The Petitioners have submitted that **M/s. Crosfield Textile Chemicals (India) Private Limited** ("Transferee Company") is a going concern and it will not have any adverse impact on the Transferee Company and the scheme. We find that the submissions are satisfactory in this regard.
14. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme and in case it is found that the scheme ultimately results in tax avoidance under the provisions of Income Tax Act, it shall be open to the Income tax authorities to take necessary action as possible under the Income Tax Law.
15. From the material on record, the Scheme annexed to the Company Scheme Petition appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA)/ 94(MB) 2024; C.P. (CAA)/ 93(MB) 2024 and C.P. (CAA)/ 96(MB) 2024 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.

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16. The Scheme is sanctioned hereby, and the Appointed Date of the Scheme is fixed as 1st April, 2022. The Transferor Company 1 and Transferor Company 2 shall be dissolved without winding up.
17. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies electronically along with e-form INC-28 within 30 days from the date of receipt of the certified copy of Order by the Petitioner Companies. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.
18. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/ certified by the Joint or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.
19. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Joint or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
20. Ordered accordingly.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Justice V.G. Bisht
Member (Judicial)