

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH : C-IV**

**CA(CAA)-79/MB/2024**

*In the matter of  
Sections 230 to 232 and other applicable  
provisions of the Companies Act, 2013*

*And*

*In the matter of  
The Scheme of Amalgamation of  
**Santiago Textile Mills Limited**  
(Transferor Company/  
Applicant Company-1)*

*with*

**Wavelink Fabrics Private Limited**  
(Transferee Company/  
Applicant Company-2)

*and their respective Shareholders.*

**Santiago Textile Mills Limited**  
[CIN: U17100MH1985PLC037852]

... Applicant Company-1/  
Transferor Company

**Wavelink Fabrics Private Limited**  
[CIN: U13124MH2024PTC416612]

... Applicant Company-2/  
Transferee Company

*(hereinafter collectively referred to as the 'Applicant Companies')*

Order pronounced on: **23.07.2024**

*Coram:*

Ms. Anu Jagmohan Singh  
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli  
Hon'ble Member (Judicial)

*Appearance :*

For the Applicants

: Ms. Devanshi Sethi a/w Ms. Tanaya  
Sethi i/b Hemant Sethi & Co., Advocates.

**ORDER**

1. This is an Application filed on 30.04.2024 jointly by Santiago Textile Mills Limited and Wavelink Fabrics Private Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, seeking directions of this Bench for the Scheme of Amalgamation of **Santiago Textile Mills Limited** (Transferor Company) with **Wavelink Fabrics Private Limited** (Transferee Company) and their respective shareholders (the "Scheme").
2. The Applicants state that the Board of Directors of the Applicant Companies in its respective meetings held on 28.03.2024 have approved the Scheme. The Appointed Date for the Scheme is 01.04.2024.
3. *Nature of Business*: The Applicants submit that both companies are in the same line of business and are engaged in the business of manufacturing weave, spin, produce, process, dye, print, calendar, wash purify, bleach, import, export and otherwise deal in textiles, cotton, jute, silk, rayon, man-made fabrics, fibers, synthetic, wollen, yarn, threads, garments, made-up hosiery, canvas fabrics, H.D.P. woven sacks coated and treated with any chemicals or any other preparation, water-proof cloth, imitation cloth, leather cloth, carpets.
4. *Rationale of the Scheme*: The Applicants further submit that the proposed Scheme will benefit as -
  - a. Consolidation of business would provide synergistic linkage besides economies in costs by combining the business functions and related

operations and activities contributing to the overall growth and profitability for Second Applicant Company.

- b. Amalgamation would result in optimum utilization of financial, managerial, technological, manpower and other resources, which will be conducive to enhance the combined growth prospects. It will provide additional benefit of lower overheads and fixed costs by avoiding duplication of costs of having multiple entities in similar line of business and enable Second Applicant Company to remain competitive in the market, which will in turn benefit the stakeholders of First Applicant and Second Applicant Company.
5. The Applicant Companies state that the Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies as on the date of filing of Application is as under:

*Transferor Company:*

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b><u>Authorised Share Capital</u></b>	
2,50,000 Equity Shares of Rs. 10/- each	25,00,000
<b>TOTAL</b>	<b>25,00,000</b>
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	
2,50,000 Equity Shares of Rs. 10/- each	25,00,000
<b>TOTAL</b>	<b>25,00,000</b>

*Transferee Company:*

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b><u>Authorised Share Capital</u></b>	
25,000 Equity Shares of Rs. 10/- each	2,50,000
<b>TOTAL</b>	<b>2,50,000</b>
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	
10,000 Equity Shares of Rs. 10/- each	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>

6. *Consideration:*

The Applicants further submit that upon the Scheme becoming effective and in consideration for the amalgamation of the First Applicant Company with and into the Second Applicant Company, the Second Applicant Company shall without any further application, act or deed, issue and allot shares credited as fully paid up to the extent indicated below, to the shareholder/s of the First Applicant Company, whose name/s is/are recorded in the register of members as a shareholder of the First Applicant Company on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Second Applicant Company) in the following manner:

*"For every 1 equity share of Rs. 10 each of Transferor Company, 1 (One) 1% Unlisted Non-Cumulative Redeemable Preference share of Rs. 10 each of Transferee Company."*

7. The Applicants further submit that there are 14 (Fourteen) Equity Shareholders in the First Applicant Company and all the Equity Shareholders have given their consent affidavits for the proposed Scheme.

In view of all the Equity Shareholders of the First Applicant Company have given their consent to the Scheme, the meeting of the Equity Shareholders of the First Applicant Company is hereby dispensed with.

8. The Applicants further submit that there are 14 (Fourteen) Equity Shareholders in the Second Applicant Company and all the Equity Shareholders have given their consent affidavits for the proposed Scheme.

In view of all the Equity Shareholders of the Second Applicant Company have given their consent to the Scheme, the meeting of the Equity Shareholders of the Second Applicant Company is hereby dispensed with.

9. The Applicants further submit that there is 1 (One) Secured Creditor in the First Applicant Company of the value of INR 5,62,68,232/- (Indian Rupees Five Crores Sixty-Two Lakhs Sixty-Eight Thousand Two Hundred and Thirty-Two only) as on March 22 2024 and that sole Secured Creditor has given the consent affidavit for the proposed Scheme.

In view of the sole Secured Creditor of the First Applicant Company has given its consent to the Scheme, the meeting of the Secured Creditor of the First Applicant Company is hereby dispensed with.

10. The Applicants further submit that as on March 22, 2024, there are no Secured Creditors in the Second Applicant Company.
11. The Applicants further submit that there are 4 (Four) Unsecured Creditors in the First Applicant Company having outstanding value of INR 2,87,57,219.29/- (Rupees Two Crores Eighty-Seven Lakhs Fifty-Seven Thousand Two Hundred Nineteen and Twenty-Nine Paise Only). All the Unsecured Creditors have given their consent affidavits for the proposed Scheme.
- In view of all the Unsecured Creditors of the First Applicant Company have given their consents to the Scheme, the meeting of the Unsecured Creditors of the First Applicant Company is hereby dispensed with.
12. The Applicants further submit that as on March 22, 2024, there are no Unsecured Creditors in the Second Applicant Company.
13. The Applicants are directed to serve notice along with copy of Scheme upon the -
- i. Central Government through the office of Regional Director, Western Region, Mumbai;
  - ii. jurisdictional Registrar of Companies;
  - iii. jurisdictional Income Tax Authority within whose jurisdiction the respective Applicant Company's assessment are made, indicating PAN of the respective Companies;
  - iv. the concerned Nodal Officer in the Income Tax Department i.e. Pr.

CCIT, Mumbai, Address: 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in];

- v. concerned Goods and Service Tax Authorities;
  - vi. the Official Liquidator (in case of Transferor Company);
14. The above notice shall be served through R.P.A.D./Speed Post and e-mail pursuant to section 230(5) of the Companies Act, 2013 and rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The said notice will contain a statement that *“If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme”*.
15. The Applicant Companies shall host the notices along with a copy of the Scheme on their respective websites, if any.
16. The Applicant Companies will submit –
- a. details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any;
  - b. list of pending IBC cases, if any;
  - c. details of all other litigation pending against the Applicant Company having material impact on the proposed Scheme;

- d. details of all Letters of Credit sanctioned and utilized as well as Margin Money details, if any.
17. The Appointed Date is 01.04.2024.
18. The Applicant Companies to file an Affidavit of Service and Compliance Report within 10 working days after serving notice to all the Regulatory Authorities as stated above.
19. With the above directions, CA(CAA)-79/2024 is **allowed**.

Sd/-  
**Anu Jagmohan Singh**  
**Member (Technical)**

Sd/-  
**Kishore Vemulapalli**  
**Member (Judicial)**

23.07.2024/pvs