

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

**CA (CAA)/91/MB-IV/2024**

*In the matter of the Companies  
Act, 2013;*

*AND*

*In the matter of*

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

*read with Companies*

*(Compromises, Arrangements and  
Amalgamation) Rules, 2016;*

*AND*

*In the matter of  
The Scheme of Amalgamation  
(merger by absorption)  
of*

***Beetee Textile Industries  
Limited***

*(“BTIL’ or ‘Transferor Company ”)  
with*

***Beetee Fabrics Private Limited***  
*(“BFPL’ or ‘Transferee Company”)*

*And their respective  
Shareholders and Creditors.*

Beetee Textile Industries Limited  
[CIN: U17110MH1985PLC035838] ... First Applicant Company/

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Beetee Fabrics Private Limited ... Second Applicant Company/  
[CIN: U13124MH2024PTC416435]

Order delivered on **23.07.2024**

*Coram:*

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

Mr. Kishore Vemulapalli  
Hon'ble Member (Judicial)

*Appearances :*

For the Applicant(s) : Ms. Devanshi Sethi a/w Ms.  
Tanaya Sethi i/b Hemant  
Sethi & Co., Advocates.

**ORDER**

1. Heard the Ld. Counsel for the Applicant Companies.
2. The Learned Counsel for the Applicant Companies submits that the present Scheme is a Scheme of Amalgamation of **Beetee Textile Industries Limited** ('First Applicant Company' or 'Transferor Company') with and into **Beetee Fabrics Private Limited** ('Second Applicant Company' or 'Transferee Company') and their respective **Shareholders and Creditors** under section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules framed there under as in force from time to time (the "Scheme").
3. The Learned Counsel for the Applicant Companies submits that the **First Applicant Company** is engaged in the business of manufacturing, processing, spinning, doubling, weaving, combing, scouring, sizing, bleaching, sanforising,

mercerizing,' coloring, dyeing, printing and finishing in any way whatever, cotton, yarn, cloth, silk, rayon, wool, jute, flax, artificial silk, hemp and all kinds, nature and varieties of fibers, filaments, yarn, fabrics or textile products, whether on handloom or on power loom or in textile mills or other factories and whether similar to the foregoing substances or not and to treat and utilise any waste arising from any such operations, whether carried out by the Company on its own or otherwise and or for any person or persons, firm or firms, company or companies, and to purchase, sell, deal in, Import, export, trade in the same. That the **Second Applicant Company** is engaged in the business of manufacturing, processing, spinning, doubling, weaving, combing, scouring, sizing, bleaching, sanforising, mercerizing,' coloring, dyeing, printing and finishing in any way whatever, cotton, yarn, cloth, silk, rayon, wool, jute, flax, artificial silk, hemp and all kinds, nature and varieties of fibers, filaments, yarn, fabrics or textile products, whether on handloom or on power loom or in textile mills or other factories and whether similar to the foregoing substances or not and to treat and utilise any waste arising from any such operations, whether carried out by the Company on its own or otherwise and or for any person or persons, firm or firms, company or companies, and to purchase, sell, deal in, Import, export, trade in the same.

4. The Learned Counsel for the Applicant Companies further submits that the **Board of Directors** of the Applicant Companies in their respective meetings held on **28<sup>th</sup> March, 2024** approved the Scheme. The **Appointed Date** for

amalgamation of the Applicant Companies is **1<sup>st</sup> April, 2024**.

5. The Learned Counsel for the Applicant Companies further submits that the **Rationale** for the Scheme is as follows:
- 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.
6. The Learned Counsel for the Applicant Companies submits 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:

**First Applicant Company/ Transferor Company**

<b>Particulars</b>	<b>Amount</b>
<b>Authorized Share Capital</b>	
1,40,000 Equity Shares of INR 100/- each	1,40,00,000

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66,00,000 Preference Shares of INR 10/- each	6,60,00,000
<b>TOTAL</b>	<b>8,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,25,624 Equity Shares of INR 100/- each	1,25,62,400
56,00,000 Preference Shares of INR 10/ each	5,60,00,000
<b>TOTAL</b>	<b>6,85,62,400</b>

***Second Applicant Company/ Transferee Company***

<b>Particulars</b>	<b>Amount</b>
<b>Authorized Share Capital</b>	
65,000 Equity Shares of INR 10/- each	6,50,000
<b>TOTAL</b>	<b>6,50,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
10,000 Equity Shares of INR 10/- each	100,000
<b>TOTAL</b>	<b>100,000</b>

7. Ld. Counsel for the Applicant Companies submits that the **Consideration** for the Scheme-

That upon coming into effect of this Scheme and in consideration for amalgamation of the Applicant Companies, 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. 100 each of Transferor Company, 1 Series B 9% Unlisted Non-Cumulative Redeemable Preference share of Rs. 100 each of Transferee Company will be issued and for every 1 preference share of Rs. 10 each of Transferor Company, 1 Series A 9% Unlisted Non-Cumulative Redeemable Preference share of Rs. 10 each of Transferee Company will be issued.”*

8. The Learned Counsel for the Applicant Companies submits that there are **14 (Fourteen) Equity Shareholders** and **5 (five) Preference Shareholders** in the **First Applicant Company**. The Equity Shareholders and Preference Shareholders have provided consent affidavits to dispense with convening and conducting the Meeting of the Equity and Preference Shareholders of the First Applicant Company, the consent affidavits of all the Equity and Preference Shareholders of the First Applicant Company, the Meeting of the Equity and Preference Shareholders of the First Applicant Company is hereby **dispensed with**.
1. The Learned counsel submits that there are **14 (Fourteen) Equity Shareholders** in the **Second Applicant Company**. The Equity Shareholders have provided consent affidavits to dispense with convening and conducting the Meeting of the Equity Shareholders of the Second Applicant Company, the consent affidavits of all the Equity Shareholders of the

Second Applicant Company, the Meeting of the Equity Shareholders of the of the Second Applicant Company is hereby ***dispensed with***.

2. Ld. Counsel for the Applicant Companies submits that there is **1 (one) Secured Creditor** in the **First Applicant Company** of the value of *INR 11,51,32,757/-* (Indian Rupees Eleven Crores Fifty-One Lakhs Thirty-Two Thousand Seven Hundred and Fifty-Seven only) as on March, 22 2024. The Secured Creditor has provided consent to dispense from convening and conducting the meeting of Secured Creditor of the First Applicant Company, the consent of the Secured Creditor of the First Applicant Company is annexed to the Company Scheme Application. Accordingly, the Meeting of the Secured Creditors of the of the First Applicant Company is hereby ***dispensed with***.
3. The Learned Counsel for the Applicant Companies has submitted that as on March, 22 2024, there are ***no Secured Creditors*** in the **Second Applicant Company**. In view of which there is no requirement to conduct meetings of the secured creditors of the Second Applicant Company. A copy of the Chartered Accountant certificate certifying that there are no secured creditors in the Second Applicant Company is annexed to the Company Scheme Application
4. The Learned Counsel of the Applicant Companies submits that as on 22<sup>nd</sup> March, 2024 there are **4 (Four) Unsecured Creditors** in the **First Applicant Company** having outstanding value of *Rs. 7,47,38,288/-* (Rupees Seven

Crores Forty-Seven Lakhs Thirty-Eight Thousand Two Hundred and Eighty-Eight Only). All the Unsecured Creditors have provided their consent affidavit(s) to the proposed Scheme of Amalgamation. In view of the consent affidavits tendered by all the Unsecured Creditors of the First Applicant Company, the meeting of the Unsecured Creditors of the First Applicant Company is hereby ***dispensed with.***

5. The Learned Counsel for the Applicant Companies has submitted that as on March 22 2024, there are ***no Unsecured Creditors*** in the ***Second Applicant Company.*** In view of which there is no requirement to conduct meetings of the Unsecured creditors of the Second Applicant Company. A copy of the Chartered Accountant certificate certifying that there are no Unsecured creditors in the Second Applicant Company.
6. The Applicant Companies are directed to serve notices along with a copy of the Scheme under the provisions of Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, upon the –
  - a. Central Government through the office of Regional Director (Western region), Mumbai.
  - b. Jurisdictional Registrar of Companies, Maharashtra, Mumbai.
  - c. Jurisdictional Income Tax Authority within whose jurisdiction the respective Applicant Company's



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assessments are made; and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address: - 3 Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in]

- d. Jurisdictional GST Authority(s) (proper officer), within whose jurisdiction such companies are assessed to tax under GST law;
  - e. Ministry of Corporate Affairs;
  - f. Any other Sectoral/ Regulatory Authorities relevant to the Applicant Companies or their business.
7. The Transferor Company is also directed to serve the copy of the Scheme upon Official Liquidator, pursuant to Section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
8. The Notice shall be served through by Registered Post-AD/Speed Post and through email along with copy of scheme and state that *“If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme”*. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the noticee.

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9. The Applicant Companies will submit –
- i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.
  - ii. List of pending IBC cases, if any, along with all other litigation pending against the Applicant Companies having material impact on the proposed Scheme.
  - iii. The Applicant Companies shall submit details of all Letters of Credit sanctioned and utilized as well as Margin Money details; if any.
10. The Applicant Companies will file Affidavits of Service, with the Registry proving service upon the regulatory authorities as stated above, and report to this Tribunal that the directions have been duly complied with.

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

/Dubey/

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