

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH - I, CHENNAI**

**CP (CAA)/51/CHE/2021**

Under Sections 230 to 232 of the Companies Act, 2013  
In the matter of *Scheme of Arrangement (Amalgamation)*

**JAMUNA TRDELINKS PRIVATE LIMITED**

*...Transferor Company 1*

And

**NAVSHA HOMES PRIVATE LIMITED**

*... Transferor Company 2*

And

**QUICK METAL SERVICES PRIVATE LIMITED**

*... Transferor Company 3*

With

**SHREE AAGARSEN STEEL INDUSTRIES PRIVATE LIMITED**

*... Transferee Company*

And

**Their Respective Shareholders and Creditors**

CORAM

**JUSTICE RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT  
SAMEER KAKAR, MEMBER (TECHNICAL)**

**CORRIGENDUM**

In the order dated 19.09.2022, certain inadvertent typographical error had crept in and as such in exercise of powers conferred under Rule 154 of the National Company Law Tribunal Rules, 2016, the said order is rectified as under :

1. At page No 1 of the said order the CIN of the 2<sup>nd</sup> Transferor Company shall be read as "**U45200TN2008PTC06858**" instead of

2. At para 7.1, 4<sup>th</sup> line "Clause 2 Part B of the Scheme" shall be read as "**Clause 11 part B of the Scheme**".

-sd-

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

-sd-

**JUSTICE RAMALINGAM SUDHAKAR**  
PRESIDENT

DATED AT CHENNAI ON THIS 17<sup>TH</sup> DAY OF NOVEMBER 2022.



**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
SPECIAL BENCH - I, CHENNAI**

**CP(CAA)/51 (CHE)2021**

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of *Scheme of Amalgamation*

of

**JAMUNA TRDELINKS PRIVATE LIMITED**

CIN NO: U51109TN2007PTC085523

No. 52/13, II Floor Mannady Street,  
Chennai- 600001.

*...Transferor Company 1*

And

**NAVSHA HOMES PRIVATE LIMITED**

CIN NO: U51109TN2007PTC085523

Room No. 4 1<sup>st</sup> Floor 9, Venkatamaistry Street,  
Mannady, Chennai – 600001.

*... Transferor Company 2*

And

**QUICK METAL SERVICES PRIVATE LIMITED**

CIN NO: U27100TN2009PTC070775

Shop No. 10, New complex Door No. 48/1  
Mannady Street, No. 139/64, Ramasamy Street,  
Chennai – 600001.

*... Transferor Company 3*

With

**SHREE AAGARSEN STEEL INDUSTRIES PRIVATE LIMITED**

CIN NO: U27100TN2008PTC069142

Shop No. 9, Sembudoss Street 1<sup>st</sup> Floor,  
Mannady, Chennai – 600001.

*... Transferee Company*

And

**Their Respective Shareholders and Creditors**

*Order Pronounced on 19<sup>th</sup> September 2022*



CORAM

**JUSTICE RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT  
SAMEER KAKAR, MEMBER (TECHNICAL)**

*For Applicant(s): Peruman Saranyan, Advocate*

**ORDER**

**Per: JUSTICE RAMALINGAM SUDHAKAR, Hon'ble PRESIDENT**

The hearing of this Petition has been conducted through video conferencing platform.

2. The present Company Petition has been filed by the Petitioner Companies above named for the purpose of the approval of the Scheme of Amalgamation of **JAMUNA TRDELINKS PRIVATE LIMITED** (for brevity "Transferor Company - 1") and **NAVSHA HOMES PRIVATE LIMITED** (for brevity "Transferor Company - 2") **QUICK METAL SERVICES PRIVATE LIMITED** (for brevity "Transferor Company - 3") with **SHREE AAGARSEN STEEL INDUSTRIES PRIVATE LIMITED** (for brevity "Transferee Company) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'the Rules') (hereinafter referred to as the 'SCHEME') pursuant to the Scheme proposed by the Petitioner Companies and the said Scheme is also annexed as '**Annexure - 49**' to the typed set filed along with the Petition.



3. **1<sup>ST</sup> MOTION APPLICATION – IN BRIEF**

3.1. The Transferor Companies (1 to 3) and Transferee Company have filed the First Motion Application vide CA(CAA)/37(CHE)/2021 seeking directions for dispensation of meeting of Equity Shareholders and Unsecured Creditors of all the Transferor Companies and with respect to the Transferee Company seeking directions of dispensation with the meeting of Equity shareholders, secured and unsecured creditors. Based on such application moved under Sections 230-232 of the Companies Act, 2013; directions were issued by this Tribunal, vide order dated 29.09.2021. Subsequently the second motion petition was filed before this Tribunal by the petitioner companies on 05.10.2021 for sanction of the Scheme of Amalgamation by this Tribunal.

4. **RATIONALE OF THE SCHEME**

4.1. The rationale and benefits of the Scheme as submitted by the Learned Authorized Representative for the Petitioner Companies would *inter alia* result in the following benefits;

- a) Greater financial strength and Simplified financial reporting by simplifying the shareholding structure and



reducing the layers/tiers of investment made by the Company.

b) Rationalization and saving in administrative expenses by way of elimination of duplication in accounting and operational expenses and greater strength in administrative work through simplification of business processes.

c) The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

d) Would channelize synergies, enable optimum utilization of the available resources and enabling a focused business approach for achieving optimization.

e) Would enable to achieve higher long-term financial returns and better financial strength and flexibility in the combined entity.

f) Would be beneficial for pooling of financial, managerial and personnel capabilities.

A handwritten green checkmark located at the bottom right of the page.



g) In view of the above benefits, the proposed amalgamation would result in an enhanced Shareholder value. There is no likelihood that the interest of any shareholder or creditor of either the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme.

5. In the second motion application filed by the Petitioner Companies, this Tribunal vide order dated 17.11.2021 directed the Petitioner Companies to issue notice to the Statutory / Regulatory Authorities viz. (i) Regional Director (Southern Region), (ii) RoC, Chennai, (iii) Official Liquidator (iv) the Income Tax Department, and other sectoral regulators, who may govern the working of the respective companies, as well as for paper publication to be made in "Business Standard", English (All India Edition) and "Dina Mani" Tamil (Tamil Nadu Edition).

6. In compliance to the said directions issued by this Tribunal, the Petitioner Companies have filed an affidavit of service before the Registry of this Tribunal on 14.12.2021 and a perusal of the same discloses that the Petitioner Companies have effected paper publications as directed by the Tribunal in "Business Standard" (All India Edition) in English and "Dina Malar" (Tamil Nadu Edition) in Tamil on 03.12.2021. It is also seen that notices have been also



served to (i) Regional Director, Southern Region, Chennai on 24.11.2021, (ii) Registrar of Companies Chennai on 24.11.2021, (iii) Official Liquidator on 24.11.2021 (iv) Income Tax Department on 24.11.2021 and the proof of the same by way of affidavits have been enclosed with the separate typed set. Pursuant to the service of notice of the petition the following statutory authorities have responded as follows:

## **7. STATUTORY AUTHORITIES**

### **7.1. REGIONAL DIRECTOR**

The Regional Director, (*hereinafter referred to as 'RD'*) Southern Region, Chennai to whom the notice was issued in the first motion itself, has filed his Report before this Tribunal on 17.12.2021 and has stated that Clause 2 of Part B of the Scheme provides for the protection of employees of the Transferor Company (1 to 3). All staff and employees of the Transferor Company (1 to 3), in service on the Effective Date, shall be deemed to have become staff and employees of the Transferee Company, with effect from the Appointed Date or date of joining whichever is later, without any break in their service and other benefits.

**7.2.** It is further averred in para 8 of the RD Report that as per Clause 14 of part C of the Scheme, the transferee





Company shall issue and allot to the shareholders of Transferor Company- 1,1.97 fully paid up equity shares of Rs. 10 each for every 01 Equity share of Rs. 10 each held in the Transferor Company -1. As regards, Transferor Company- 2, 20.12 fully paid up equity shares of Rs. 10 each for every 01 fully paid up equity shares of Rs. 100 each held in the Transferor company-2. As regards, transferor company- 3, 19.33 fully paid up equity shares of Rs.10 each for every 01 fully paid up equity shares of Rs.100 each held in the Transferor Company-3 as consideration upon effectiveness of the scheme of Amalgamation.

**7.3.** It is further averred in para 9 of the RD Report that Clause 13 of Part C of the Scheme provides for clubbing of Authorized Share Capital of the Companies, as such the Authorized Share Capital of the Transferor Company (1 to 3) shall stand be altered and merged with the Authorized Share Capital of the Transferee Company. Clause V of the MOA of the Transferee Company shall be altered as the Authorized Share Capital of the Company shall be Rs. 6,65,00,000 divided into 66,50,000 Equity Shares of Rs. 10 each. The NCLT, Chennai may direct the Transferee Company to make remittance of fee / stamp duty, if any, after setting off the remittance made by the Transferor Companies on the



proposed increase of authorized share capital and also to file the amended MOA and AOA on the above with the Registrar of Companies.

**7.4.** It is further observed that as per para 11 of the RD report wherein it has been stated that as per the Report of the RoC, Chennai, the Transferor Company (1 to 3) and Transferee Company are regular in filing their statutory returns up to 31.03.2020 and has reported that there are no prosecution / complaint/ inspection or Investigation pending against the Applicant Companies.

**7.5.** Thus, after examining the Scheme, except the observations made in para 9 of the RD Report, the Regional Director in their Report has stated that they have decided not to make any objection to the Scheme.

#### **7.6. OFFICIAL LIQUIDATOR**

In relation to the Official Liquidator, (*hereinafter referred to as 'OL'*) to whom the notice was issued has filed the Report before this Tribunal on 10.03.2022 and has stated that they have appointed M/s. R. Sadasivan & Co., Chartered Accountants from the panel maintained by their office to verify into the affairs of the Transferor Companies. The



Chartered Accountants in their report submitted before the Official Liquidator have observed as follows;

- a) All entries have been made in the Statutory Registers in accordance with the requirements of the Companies Act, 2013.
- b) Inspection of Records maintained by the Registrar of Companies, Tamil Nadu, Chennai, relating to the Transferor Companies on 21-02-2022 does not reveal anything to draw an adverse inference relating to the conduct of the affairs of the company.
- c) The Transferor Companies have not accepted deposits from the public. Hence, the question of commenting on compliance of Section 73 to 76 of the Companies Act, 2013 relating to deposits does not arise. It has no secured creditors.
- d) It is observed from the audited financials and from the confirmation received from the directors of the company that there is no demand or dispute subsisting under ESI or PF or under any other Statutory Act in the case of the Transferor Companies. Declarations have been obtained from Transferor Companies directors that there are no statutory demands or disputes.
- e) The Transferor Companies have no unpaid or unclaimed dividends as seen from the audited financials and hence the question of commenting on compliance of Section 124 of the Companies Act, 2013 does not arise.



**7.7.** Further in Para 5 of the OL report it was further submitted that on scrutiny of the books of accounts, records and registers etc. of the above said Transferor Companies, the Chartered Accountants are of the opinion that the Chartered Accountants have not come across any act of misfeasance by the directors which would attract the provisions of Section 33 of the Companies Act, 2013. The Chartered Accountants are also of the opinion that the affairs of the Transferor Companies have not been conducted in a manner prejudicial to the interest of its members or to public interest. Neither has any person or Officer or Director of the Company misapplied or diverted or retained or became liable or accountable for any money or property of the company or has been found guilty of any misappropriation, breach of trust in relation to the Company under Section 340 of the Companies Act, 2013.

**7.8.** From the above observations made by the Chartered Accountant, the Official Liquidator sought to take on record and consider the report of the Chartered Accountant and has also sought to fix the remuneration payable to the Auditor who has investigated into the affairs of Transferor Company (1 to 3). In this regard, this Tribunal hereby directs the Transferor Company (1 to 3) to pay a sum of **₹1,00,000 /- +**




**GST (Rupees One Lakh Plus GST)** to the Official Liquidator for the payment of fees payable towards the Auditor who has investigated into the affairs of the Transferor Company (1 to 3).

## **8. OTHER STATUTORY AUTHORITIES**

In relation to the other statutory authorities to whom notices have been issued, neither they have filed any reply nor raised any objections to the Scheme and in the circumstances, this Tribunal presumes that other statutory Department viz. The Income Tax Department do not have any objection to the sanction of the Scheme.

**8.1** Despite notice having been served, there is no representation from the Department of Income Tax and this Tribunal in terms of Section 230(5) of the Companies Act, 2013 presumes that the Department of Income Tax does not have any objection to the sanction of the Scheme.

**8.2** In Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the IT Department in the Scheme of Amalgamation,



*"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in RE: Vodafone Essar Gujarat Limited v. Department of Income Tax (2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned."*

## **9. VALUATION REPORT**

The Learned Authorized Representative for the Petitioner Companies invited the attention of this Tribunal to the Valuation Report obtained from Mr. Bharat Kumar, Registered Valuer dated 18.01.2021, wherein it has been recommended by the independent Registered Valuer as follows:

- "1.97 Equity Shares of Rs. 10/- each as fully paid-up shall be allotted in the Transferee Company for every 1 equity shares of Rs. 10/-each fully paid-up, held by such shareholder in the Transferor Company 1.
- 20.12 Equity Shares of Rs. 10/- each as fully paid-up shall be allotted in the Transferee Company for 1



equity share of Rs. 100/- each fully paid-up, held by such shareholder in the Transferor Company 2.

- 19.33 Equity Shares of Rs. 10/- each as fully paid-up shall be allotted in the Transferee Company for 1 equity share of Rs. 100/- each fully paid-up, held by such shareholder in the Transferor Company 3.”

## **10. ACCOUNTING TREATMENT**

10.1. The Learned Counsel for the Petitioner Companies have stated that the Statutory Auditors of the Petitioner Companies have examined the Scheme and has certified that the Petitioner Companies have complied with proviso to Section 230 (7) / Section 232 (3) and the Accounting Treatment contained in the proposed Scheme of Arrangement is in compliance with the Applicable Indian Accounting Standards. The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of the Petitioner Companies are placed as 'Annexure 48' of the Application typeset.

## **11. OBSERVATIONS OF THIS TRIBUNAL**

11.1. After analyzing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* beneficial to the Company and will not be in any way detrimental to the interest of the shareholders of the



Company. In view of the absence of any other objections having been placed on record before this Tribunal and since all the requisite statutory compliances having been fulfilled, this Tribunal sanctions the Scheme of Arrangement appended as Annexure "49" with the Company Petition as well as the prayer made therein.

11.2. The Learned Counsel for the Petitioner companies submitted that no investigation proceedings are pending against the Transferor or Transferee Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the petitioner companies for oppression or mismanagement have been filed before this Tribunal or erstwhile Company Law Board.

11.3. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

11.4. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or





any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

**12. THIS TRIBUNAL DO FURTHER ORDER:**

- (i) That all properties, right and interest of the Transferor Company (1 to 3) shall, pursuant to section 232(3) of the Companies Act,1956 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company.
- (ii) That all the liabilities, powers, engagements, obligations and duties of the Transferor Company (1 to 3) shall pursuant to Section 232(3) of the Companies Act,2013 without further act or deed be transferred to the Transferee Company and accordingly the same become the liabilities and duties of the Transferee Company.
- (iii) That the Appointed date for the Scheme shall be **1<sup>st</sup> April 2020** as mentioned in clause 4.3 of Part A of the SCHEME.
- (iv) The 'Effective date' shall be the last of the dates on which the certified copies of this order of sanctioning the scheme is filled with ROC Chennai as mentioned in clause 4.7 of Part A of the SCHEME .
- (iv) That all proceedings now pending by or against the Transferor Company (1 to 3) be continued by or against the Transferee Company.





- (v) That all the employees of the Transferor Company (1 to 3) in service on date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the Transferee Company without any break or interruption in their service.
- (vi) That the Transferee Company do without further application allot to such members of the Transferor Company (1-3), as have not given such notice of dissent, as is required by Clause 14 of Part C of the Scheme herein, the shares in the Transferee Company to which they are entitled under the said Scheme.
- (vii) That the Transferee Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies, Chennai and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company after setting off the fees paid by the Transferor Company(1 to 3).
- (viii) That the Transferor Company (1 to 3) and the Transferee Company, shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company (1 to 3) shall be dissolved without winding up and the Registrar of Companies shall place all documents relating to the Transferor Company (1 to 3) registered with him on the file kept by him in relation to all the Transferee



Company and the files relating to all the said companies shall be consolidated accordingly.

- (ix) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

13. Accordingly, the Company Petitions stands **allowed** on the aforementioned terms.

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

**JUSTICE RAMALINGAM SUDHAKAR**  
PRESIDENT