

(2021) 01 NCLT CK 0052

In the National Company Law Tribunal

Case No : Company Petition No. (CAA)/921/MB-IV Of 2020 In Company Application (CAA)/113/MB-IV Of 2020

Andromeda Sales And Distribution Private Limited APPELLANT
Vs

Geosansar Advisors Private Limited RESPONDENT

Date of Decision : 04-01-2021

Acts Referred:

Companies Act, 2013 — Section 230, 231, 232

Citation : (2021) 01 NCLT CK 0052

Hon'ble Judges : Suchitra Kanuparthi, J;Rajesh Sharma, Member (Technical)

Bench : Division Bench

Advocate : Ahmed M Chunawala, Rajesh Shah

Judgement

1. The Bench is convened by videoconference today.
2. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions to the said Scheme.
3. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under for the Scheme of Amalgamation of Andromeda Sales And Distribution Private Limited (First Applicant Company / Transferor Company) with Geosansar Advisors Private Limited (Second Applicant Company / Transferee Company).
4. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions dated 19th December, 2019 which are annexed to the respective Company Scheme Petitions.
5. The Learned Advocate appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the Order passed in the

Company Scheme Application No. 113 of 2020 of the Tribunal.

6. The Learned Advocate appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as

per directions of this Tribunal and they have filed necessary affidavits of compliance in this Tribunal.

7. The Learned Counsel for the Petitioner Companies states that the First Petitioner Company presently carrying on business aggregating and

distributing the retail financial products such as home loan, personal loan, business loan, etc. First Applicant Company is operating as a direct sales

agency and earns commission income by way of loan processing fees and is associated with various financial institutions which provides the loans to

the customers and that the Second Petitioner Company presently is carrying on business of Financial Inclusion Training Services which comprises of

imparting financial education among households for their better understanding in the realm of financial sector and inculcating the habit of savings & to

provide comprehensive financial literacy.

8. The rationale for the Scheme of Amalgamation of the Petitioner Companies, inter alia, is that all the Companies are under the same management.

The management is of the opinion that the amalgamation will enable the optimal utilisation of the available resources and yield benefits to the

Transferee Company including achieve business synergies, market access, unified platform for growth, access to customer base and cost

effectiveness. The amalgamation will enable the resulting business and activities of the Transferee Company to be carried on more efficiently,

conveniently and advantageously with greater economies of scale, pooling and more efficient utilisation of their resources, elimination of duplication of

work, rationalization of administrative structure, reduction in overheads and other expenses and improvement in various other operating

parameters. Further, the amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

a. The Transferor Company is a subsidiary of Transferee Company and its amalgamation will result in legal integration of the businesses, reduction of

shareholding layers and direct control of assets of the Transferor Company by the Transferee Company and reduce the number of legal entities.

b. Consolidation of businesses under single entity and achieve simplified

corporate structure.

c. Reducing managerial overlaps and enable effective utilization of valuable resources which will enhance the management focus thereby leading to

higher operational efficiency; and

d. Post the amalgamation of Transferor Company, the Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal

compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, company law requirements,

etc. and therefore reduction in administrative costs.

9. The Regional Director has filed his Report dated 24th day of June, 2020 stating therein that save and except the observations as stated in paragraph

IV (a) and (b) of the report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report,

the Regional Director has stated that:-

a) In compliance of AS-14 (IND AS-I03), the Transferee Company shall pass such accounting entries which are necessary in connection

with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.

b) As per Definition of the Scheme.

“The Appointed Date” means 14th August, 2019 or such other date as may be mutually agreed by the Board of Directors of the

Transferor Company and the Transferee Company and as may be sanctioned by the NCLT (defined hereinbelow) for the purposes of

amalgamation of the Transferor Company with the Transferee Company..

“Effective Date” the date or last of the dates on which the certified / authenticated copy of the order of the NCLT sanctioning this

Scheme is filed with the respective applicable Registrar of Companies by the Transferor Company and the Transferee Company.

Further, the Petitioner may be asked to comply with the requirements and clarified vide circular no. F. No.7/12/2019/CL-1 dated

21.08.2019 issued by the Ministry of Corporate Affairs.

10. So far as the observation in paragraph IV (a) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner

Companies submits that in addition to Compliance of AS-14 (IND AS-103, if

applicable), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8, if applicable) etc.

11. So far as the observation in paragraph IV (b) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the

Appointed Date is 14th August, 2019. The Petitioner undertakes to comply with the requirements and clarified vide circular no. F. No.7/12/2019/CL-1

dated 21.08.2019 issued by the Ministry of Corporate Affairs.

12. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 10 and 11 above. The clarifications and

undertakings given by the Petitioner Companies are accepted by the Tribunal.

13. The Official Liquidator has filed his report on 4th December, 2020 in the Consolidated Company Scheme Petition No. 921 of 2020, inter alia,

stating therein that the affairs of the Transferor Company have been conducted in a proper manner not prejudicial to the interest of the Shareholders

of the Transferor Company and that the Transferor Company may be ordered to be dissolved by this Tribunal.

14. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to

public policy.

15. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 921 of 2020 is made absolute in terms of clauses

(a) to (c).

16. Petitioners are directed to file a copy of this Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies,

electronically along with E-Form INC-28, within 30 days from the date of receipt of the Order from the Registry.

17. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Joint Registrar of this Tribunal, with the

concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the Order, if

any.

18. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai and the Transferor Company in

the Consolidated Company Petition No. 921 of 2020 to pay costs of Rs. 25,000/- to the Official Liquidator, High Court, Bombay. The cost to be paid

within four weeks from the date of receipt of the Order.

19. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Joint Registrar of this Tribunal.

20. The Appointed Date is 14th August, 2019.

21. Ordered Accordingly.