NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Video Conference)

PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 14.07.2023 AT 11:00 A.M.

TC/CP. Nos.	CA/IA No.	Section/ Rule	Name of Parties
CA(CAA) /4/230/AMR/2023		230	M/s. Gowtami Steel Products Private Limited)Transferor Company) and M/s. Gowtami Constructions Private Limited (Transferee Company)

ORDER

Mr.S.S.Sarat Chandra, Ld. Counsel for the Applicants present. Orders pronounced. CA(CAA)/4/230/AMR/2023 is allowed, vide separate orders.

Sd/-
JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

RSN

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AMARAVATI BENCH, AT MANGALAGIRI

CA (CAA)/4/230/AMR/2023

In the matter of the Companies Act, 2013
AND
In the matter of Section 230 to 232 of the Companies Act, 2013
AND
In the matter of Scheme of Amalgamation Between M/s. Gowtami Steel Products Private Limited (Transferor Company) and M/s. Gowtami Constructions Private Limited (Transferee Company) and their Respective Shareholders.

M/s. Gowtami Steel Products Private Limited
Having its registered office at:
Opp: Steel City Bus Depot, Kurmannapaelm,
Vishakapatnam - 530046, Andhra Pradesh, India.
Corporate Identity Number: U27105AP1995PTC022086
Represented by its authorized signatory,
Sri G Mohan Rao, S/o. Rangiah, 503, Balaji Towers
Opp. YMCA Bench Road, Visakhapatnam- 02.
...1st Applicant/Transferor Company

M/s. Gowtami Constructions Private Limited
Having its registered office at:
Opp: Steel City Bus Depot, Kurmannapaelm,
Vishakapatnam - 530046, Andhra Pradesh, India.
Corporate Identity Number: U45200AP1999PTC033015
Represented by its authorized signatory,
Sri G Mohan Rao, S/o. Rangiah, 503, Balaji Towers
Opp. YMCA Bench Road, Visakhapatnam- 02.
...2nd Applicant/Transferee Company

Date of Order Pronounced on: 14.07.2023

Coram:
Justice Telaprolu Rajani, Member Judicial.

For the Applicants **:Mr. S.S.Sarat Chandra, Advocate**

ORDER

(Per: Justice Telaprolu Rajani, Member Judicial.)

1. The present Application is filed under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 by the Applicant companies inter alia seeking an order to dispense with the holding of the meeting of the Shareholders, Secured creditors and unsecured creditors of the Transferor and Transferee Companies, in view of the consents given by them, for sanction of the proposed scheme of Amalgamation and considering the sound financials and solvency of the merged entity as also for the facts and circumstances as sated and also to dispense with the publication of notice in newspapers, since there is no public interest involved.

2. The Registered Offices of the Applicant Companies are situated in the State of Andhra Pradesh and therefore, it is within the jurisdiction of this Tribunal.

3. Brief facts leading to the filing of present case are as follows:

   a) M/s. Gowtami Steel Products Private Limited, 1st Applicant/ Transferor Company was incorporated as a private limited company on 25.10.1995 and the Authorized share capital of the Transferor Company is Rs.1,00,00,000/- divided into 10,000 Equity shares of Rs. 10/- each. The issued, subscribed and paid-up capital is Rs. 20,00,000/- dived into 2,00,000 fully paid-up equity shares of Rs.10/- each. The main objects of the Company are to carry on the business of erecting, fabricating, establishing, running of rolling mill for the manufacture of Steel, Plates, Sheets, angles, bars, rods, wire drawings, of different sizes and specifications of all types of mild, high carbon special steels, Iron and Steel, alloy steels and to carry on the trade or business of Iron makers, steel makers, Iron and steel convertors, colliery properties, leasers, mines, smiths, dealers of manganese, coke engineers, tin plate makers, Iron foundries, metal workers, galvanized sheet makers, steel foundries, scarp iron and steel dealers, buyers, sellers and dealers of all kind of saleable manganese, magnesite clay, fire clay, stone lime and other metals, minerals, mineral gases and substances required thereon.

b) M/s. Gowtami Constructions Private Limited, 2nd Applicant/ Transferee Company was incorporated as a private limited company on 10.12.1999 and the Authorized share capital of the Transferee Company is Rs.10,00,000/- divided into 1,00,000 Equity shares of Rs.10/- each. The issued, subscribed and paid-up capital is Rs.1,00,000/- dived into 10,000 fully paid-up equity shares of Rs.10/- each. The main objects of the company are to conduct the business and to provide service as estate agents and estate management and to collect rents, repair, look after and manage immovable properties for commission of any persons, firms and companies, governments and states, as well as this company, to give, take, let and sublet rent-farming contracts and to carryout, undertake or supervise any building, constructing, altering, improving, demolishing and repairing operations and all other it works and operations in connection with immovable estates and properties. To carry on business as house, land and estate agents and to arrange or undertake the sale, purchase or, advertise for sale or purchase, assist in selling or purchasing and find or introduce purchaser or vendors of and to manage land building and other property whether belonging to the company or not etc., carry on business to run, own, manage, administer diagnostic centers, scan centers, Nursing Homes, Hospitals, Clinics, Clinical Pathological testing laboratories, X-Ray and ECG Clinics in India and abroad.

c) According to the Applicant Companies, the transferee and Transferor companies are closely held private limited companies with their entire shareholding held by Family members of G Mohan Rao and their relatives and friends. Because of existing integration and similarity of the business of the Transferee and Transferor Companies, as well as the administrative, management and accounting difficulties in carrying on the business by the management in two different entities and the time constraints of the management on account of multiplicity of works and compliances, the management of the companies is unable to fully focus on the business and achieve optimum business and the merger is therefore for consideration of the business and the companies and the amalgamation of Transferor Company with the Transferee Company would inter alia help in consolidation of the businesses of the companies and would be beneficial to both the companies and the management of the companies will be in a better position to focus their attention and energies and achieve good and improved results. That the proposed amalgamation would be in the interest of not only the shareholders of the companies, but also the creditors, customers and employees generally and that consolidation of the businesses of both the companies would result in a financially and operationally sound entity with better net-worth and valuation, which in turn, would attract investment by investors and further funding by the bankers for expansion.

4. The Board of Directors of the Applicant/Transferor Company and Transferee Company in their respective Board Meetings held on 09.02.2023 have approved the Scheme of Amalgamation with appointed date as 01.04.2022, subject to the approval of their shareholders and creditors.

5. It is stated that no investigation or proceedings have been instituted or are pending in relation to the Applicant Companies.

6. The 1st Applicant/Transferor company has filed certificate of the Auditor stating that as on 31.12.2022 there are Two (2) Equity shareholders, together holding 2,00,000 equity shares and they have

given their consent on the form of affidavits, agreeing to the proposed scheme.

7. The 1st Applicant /Transferor company has filed certificate of the Auditor stating that as on 31.12.2022 there are zero (0) Secured Creditors and zero (0) Unsecured Creditors.

8. The 2nd Applicant/Transferee Company has filed certificate of the Auditor stating that as on 31.12.2022 there are Three (3) Equity shareholders, together holding 10,000 equity shares and they have given their consent on the form of affidavits agreeing to the proposed scheme.

9. The 2nd Applicant/Transferee company has filed certificate of the Auditor stating that as on 31.12.2022 there are zero (0) Secured Creditors.

10. The Applicant/Transferee Company has filed certificate of the Auditor stating that as on 31.12.2022 there are Eight (8) Unsecured Creditors and have given their consent in the form of affidavit agreeing to the proposed Scheme.

11. Heard the submissions made in this regard by Mr. S.S. Sarat Chandra, Advocate appearing for the Applicant Companies and perused the documents filed.

12. It is noted that all the shareholders of the Applicant Companies have given their consent affidavits, agreeing to the proposed Scheme of

Amalgamation. Hence the meeting of the Shareholders of the Applicant Companies can be dispensed with, in terms of Section 230(9) of the Act.

13. It is noted that there are no Secured Creditors in the Applicant Companies, hence, the meeting of the Secured Creditors of the Applicant companies can be dispensed with, in terms of Section 230(9) of the Act.

14. It is noted that there are no Unsecured Creditors in the 1st Applicant/Transferor Company, hence, the meeting of the Unsecured Creditors of the 1st Applicant/Transferor Company can be dispensed with, in terms of Section 230(9) of the Act

15. It is noted that Unsecured Creditors of the 2nd Applicant/Transferee Company have given their consent affidavit agreeing to the proposed Scheme of Amalgamation. Hence the meeting of the Unsecured Creditors of the 2nd Applicant/Transferee Company can be dispensed with, in terms of Section 230(9) of the Act.

16. In compliance of sub section(5) of Section 230 of the Act and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant Companies shall send notice under section (3) of Section 230 read with Rule 6 of the Rules with a copy of the Scheme, the explanatory statement and the disclosures mentioned in Rule 6 to (a) the Central Government through the Regional Director, South Eastern Region; (b) the Registrar of Companies, Andhra Pradesh' (c) the Income Tax Authorities; and (d) the Official Liquidator. The said notices be sent either by

Registered Post or by Speed Post or by Hand Delivery at the Offices of the authorities as required by sub rule (2) of Rule 8 of the Rules. The aforesaid authorities, who desire to make any representation under sub section (5) of section 230 shall send the same to this Tribunal within period of 30(thirty) days from the date of receipt of such notice, failing which it shall be deemed that they have no representation to make on the proposed Scheme.

17. In the event of the Applicant companies approaching this Tribunal seeking approval of the Scheme, it would be open for any person who is interested in the scheme to put forth his/their contention(s) before the Tribunal.

ORDER

The Company Application i.e., CA(CAA)/4/230/AMR/2023 is allowed and disposed of accordingly.

Sd/- dated 14.07.2023
JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

Swamy Naidu