

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

**CP(CAA)/228/MB-IV/2021
IN
CA(CAA)/143/MB-IV/2021**

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

AND

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

AND

*In the matter of
Scheme of Amalgamation (Merger by
Absorption)*

of

Pranavaditya Spinning Mills Limited,
*the Transferor Company / First
Petitioner Company*

With

Indo Count Industries Limited,
*the Transferee Company / Second
Petitioner Company*

And

their respective shareholders.

Pranavaditya Spinning Mills Limited

[CIN: L17119PN1990PLC058139] ...First Petitioner
Company/Transferor Company

Indo Count Industries Limited

[CIN: L72200PN1988PL068972] ...Second Petitioner
Company/Transferee Company

Order delivered on: 18.07.2022

Coram:

Mr. Manoj Kumar Dubey
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (through video conferencing) :

For the Petitioner(s) : Mr. Hemant Sethi, Advocate.

For the Regional Director (WR) : None Present.

ORDER

Per: Mr. Kishore Vemulapalli, Member (Judicial)

1. The Court is conveyed through videoconference today.
2. Petition Admitted.
3. Petition fixed for hearing and final disposal on 10.08.2022.
4. Learned Counsel for the Petitioners states that in pursuance of the directions contained in Order dated 18th August 2021 passed by the National Company Law Tribunal, Mumbai Bench in the CA(CAA) No.143/MB-IV/2021, the meeting of Equity Shareholders of the Petitioner Companies was held on 15th November, 2021 through video conferencing and the Scheme was approved with the requisite majority through remote e-voting and e-voting during the meeting by the equity shareholders of both the Petitioner companies.

5. Learned Counsel for the Petitioners states that in pursuance of the directions contained in Order dated 18th August 2021 passed by the National Company Law Tribunal, Mumbai Bench in the CA(CAA) No.143/MB-IV/2021, there are no Secured Creditors in the First Petitioner Company. In so far as the Unsecured Creditors are concerned, this Tribunal, directed to serve individual notices along with a copy of the Scheme to its all the unsecured creditors as required under Section 230(3) of the Companies Act, 2013. The First Petitioner Company has issued notices to all its Unsecured Creditors pursuant to the Order.
6. Learned Counsel for the Petitioner Companies states that in pursuance of the directions contained in the Order passed by this Tribunal in C.A (C.A.A.)/143/MB/2021, this Tribunal dispensed with the meeting of Secured Creditors of the Second Petitioner Company in view of the Consent Affidavits filed by all the Secured Creditors of the Second Petitioner Company. This Tribunal, further directed to serve individual notices along with a copy of the Scheme to its unsecured creditors having outstanding of INR 5,00,000/- (Indian Rupees Five Lakh only) and above. The Second Petitioner Company has issued notices to its Unsecured Creditors having outstanding value of INR 5,00,000/- and above.
7. The Learned Counsel for the Petitioner Companies further submits that the Company Petition is filed in consonance with section 230 to 232 of the Companies Act, 2013 along with the Order passed in CA(CAA)No.143/MB-IV/2021, by the National Company Law Tribunal, Mumbai Bench.

8. Learned Counsel for the Petitioner Companies submits the Petitioner Companies information as on 31st March, 2021 as per below table:

Particulars	Transferor Company	Transferee Company
Authorised Share Capital	1,92,70,000 Equity Shares of Rs. 10/- each = Rs. 19,27,00,000/-	27,50,00,000 Equity shares of Rs. 2 each 50,00,000 Preference shares of Rs. 10 each = Rs. 60,00,00,000
Paid Share Capital	1,92,41,280 Equity Shares of Rs.10/- each fully paid up = Rs. 19,24,12,800	19,73,99,670 equity shares of Rs.2/- each = Rs. 39,47,99,340
Number of Equity Shareholders	3,812	35,951
Secured Creditors (As on 31 st December 2020)	Nil	6
Number of Unsecured Creditors (As on 31 st December 2020)	2 Unsecured Creditors of value appx INR 6.03 Crs	986 Unsecured Creditors of value appx INR 223.53 Crs.
Revenue from Operations	INR 5.2 Crs	INR 2,514.75 Crs
Net worth	INR 23.98 Crs	INR 1,274.38 Crs

Swap ratio	“2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company.”
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9. Learned Counsel submits that pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and in accordance with the directions contained in the Order, the Petitioner Companies served notice upon (i) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (ii) concerned Income Tax Authority within whose jurisdiction the assessments of the respective Petitioner Companies made; (iii) Registrar of Companies, Pune, Maharashtra. (iv) BSE Limited; (v) National Stock Exchange of India Limited (in so far as Second Petitioner Company is concerned) (vi) Securities and Exchange Board of India and (vii) Official Liquidator, High Court Bombay (in so far as First Petitioner Company is concerned) as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, with a direction that they may submit their representation, if any, within 30 (thirty) days from the date of receipt of such notice, failing which it will be presumed that the said authority has no representation to make to the Scheme.
10. The Learned Counsel for the Petitioner Companies further submits that the Joint Petition/Company Petition was filed on December 14, 2021 in consonance with Section 230 to 232 of the Companies Act,

2013 along with the Order passed in Company Scheme Application /Joint Company Scheme Application No. C.A (C.A.A.)/143/MB/2021 by the National Company Law Tribunal, Mumbai Bench.

11. The Petitioner Companies shall host notices of final hearing along with the copy of the scheme on their respective websites, if any.
12. The Petitioner Companies shall file compliance report with this Tribunal electronically in regard to the directions given in this Order in lieu of customary affidavit of service, at least 3 (three) days before the date fixed for final hearing and report to this Tribunal that the directions regarding the service of notices upon regulatory authorities and publication of advertisement of the notice of hearing in the newspapers been duly complied with.
13. The Petitioner Companies shall submit details of Corporate Guarantee, Performance Guarantee, Bank Guarantee and Contingent Liabilities; if any.
14. The Petitioner Companies shall submit list of pending IBC cases, if any, along with all other litigation pending against the Applicant Companies having material impact on the proposed Scheme.
15. The Petitioner Companies shall submit details of all Letters of Credit sanctioned and utilized as well as Margin Money details; if any.

16. The Petitioner Companies are directed to serve fresh notices through Registered-Post AD/Speed Post and hand-delivery and Email indicating the date of final hearing upon;
- (i) Central Government through the Regional Director, Western Region;
 - (ii) the Registrar of Companies;
 - (iii) the concerned Income-Tax Authorities as per Rule 8 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 within whose jurisdiction the assessments of the respective Petitioner Companies made;
 - (iv) BSE Limited;
 - (v) National Stock Exchange of India Limited (in so far as Second Petitioner Company is concerned)
 - (vi) Securities and Exchange Board of India and
 - (vii) Official Liquidator, High Court Bombay (in so far as First Petitioner Company is concerned) as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
- indicating the date of final hearing, at least 10 (ten) days before the date fixed for final hearing.
17. At least 10 days before the date fixed for final hearing, the Petitioner Companies shall publish the notice of final hearing of the Company Petition in two local newspapers viz. "Times of India" (Kolhapur edition) in English and translation thereof in "Pudhari" (Kolhapur edition) in Marathi, both having circulation in Kolhapur as per Rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

18. The petitioner Companies shall host notices along with the copy of the Scheme on their respective websites, if any.
19. The Petitioner Companies shall file a compliance Affidavit regarding the issue of advertisement of the notice of the hearing of the Company Petition stating that the same has been duly complied with the Registry in regard to the directions of this Tribunal, 3 (three) days before the date fixed for final hearing.

Sd/-

Mr. Manoj Kumar Dubey
Hon'ble Member (Technical)
18.07.2022

Sd/-

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)