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IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT- IV

CA (CAA) 6/(ND)/2023

Under Sections 230 to 232 of the Companies Act, 2013 read with Companies (Compromise, Arrangements and Amalgamation Rules, 2016)

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

HG INDUSTRIES LIMITED

**.....TRANSFEROR COMPANY
(APPLICANT COMPANY-1)**

AND

GREENLAM INDUSTRIES LIMITED

**.....TRANSFeree COMPANY/
(APPLICANT COMPANY -2)**

**WITH THEIR
RESPECTIVE SHAREHOLDERS AND CREDITORS**

(Hereinafter the Applicant Company No.1 and Applicant Company No.2 are collectively referred to as 'the Applicant Companies')

Order Delivered on: 22.02.2023

CORAM:

SH. P.S.N. PRASAD, HON'BLE MEMBER (JUDICIAL)

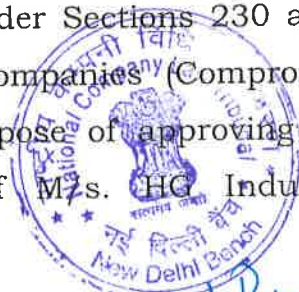
DR. BINOD KUMAR SINHA, HON'BLE MEMBER (TECHNICAL)

ORDER

PER: DR. BINOD KUMAR SINHA, MEMBER (TECHNICAL)

Under Consideration is the Company Scheme Application jointly filed by the Applicant Companies under Sections 230 and 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) for the purpose of approving the proposed Scheme of Amalgamation ('Scheme') of M/s. HG Industries Limited (Applicant

CA (CAA)/6/ (ND)/2023
Date of Order-22.02.2023



Vishal Rana
24-02-2023



Company No.1/Transferor Company) and M/s. Greenlam Industries Limited (Applicant Company No.2/Transferee Company). The copy of the proposed scheme of Amalgamation has been placed on record. It is represented that the registered office of both the Applicant Companies are situated in Delhi, therefore, jurisdiction lies with this Tribunal.

2. M/s. HG Industries Limited ("Transferor Company" or "Applicant Company - 1") bearing CIN: L20100DL1987PLC408363 was incorporated on 11.12.1987 and registered office of the Applicant Company-1 is presently situated at B 203, 2nd Floor, West Wing, Worldmark 1, Aero city , IGI Airport, Hospitality District, New Delhi - 110037. The Authorized Share Capital of the Applicant Company- 1 is Rs.4,00,00,000/-. The issued, subscribed and paid-up capital of the Applicant Company-1 is Rs.2,31,67,840/-.
3. M/s. Greenlam Industries Limited ("Transferee Company" or "Applicant Company No. 2") bearing CIN: L21016DL2013PLC386045 was incorporated on 12.08.2013 having its registered office situated at 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi South West Delhi DL 110037. The Authorized Share Capital of the Applicant Company- 2 is Rs.15,00,00,000/-. The issued, subscribed and paid-up capital of the Applicant Company-2 is Rs.12,06,81,870/-.
4. The Board of Directors of the respective Applicant Companies have approved the proposed Scheme of Amalgamation in their respective Board Meetings held on 30.06.2022. The certified copy of the Board Resolutions of the Applicant Company No.1 and Applicant Company No.2 are annexed as Annexure A-XXIII (Page 836-839) and Annexure A-XXIV (Page 840-843) of the Company Scheme Application respectively.
5. The Learned Counsel for the Applicant Companies submits that the shares of the Applicant Company No.1 and Applicant Company No.2 are listed on the Stock Exchanges. The no objection letter dated 11.01.2023 issued by





BSE to Applicant Company No.1 is annexed as Annexure A – XXV (Page no. 844-846) of the Company Scheme Application. The no objection letter dated 11.01.2023 issued by BSE and letter dated 11.01.2023 issued by NSE are annexed to Applicant Company No.2 are annexed as Annexure A-XXVI (Page no. 847-849) and Annexure-XXVII (Page no. 850-852) of the Company Scheme Application respectively.

6. The Learned Counsel for the Applicant Companies submit that Transferee Company/Applicant Company No.2 holds 74.91 % of the paid-up share capital of the Transferor Company/Applicant Company No.1. The business activities of the Transferee Company and the Transferor Company complement each other.
7. The Learned Counsel for the Applicant Companies submits that the rationale for the Scheme of Amalgamation between the Applicant Companies are as follows:
 - a. The amalgamation would enable the Transferee Company to leverage its combined assets and to create a more competitive business, both in scale and operations;
 - b. The amalgamation would consolidate the businesses of the Transferor Company and the Transferee Company resulting in focused growth, operational efficiencies, business synergies and unlocking the value of the assets of the Transferor Company;
 - c. The amalgamation would enhance operational, organizational and financial efficiencies, and achieve economies of scale by pooling resources and ultimately enhancing overall shareholders value;
 - d. The amalgamation would achieve synergies in costs (particularly in respect of customer relationship management and establishing sales and marketing channels), operations, a stronger and wider capital and financial base for future growth; and
 - e. The amalgamation would allow for an integrated and coordinated approach to investment strategies and more efficient allocation of capital and cash management





8. The Applicant Companies have placed on record their respective Certificate of Incorporation ('CoI'), Memorandum of Association ('MoAs'), Article of Associations ('AoAs'), List of Directors and MCA Master Date. The Applicant Companies further placed on record the Audited Balance Sheet of the respective Applicant Companies as on 31.03.2022 and unaudited Half Yearly Financial Results of the respective Applicant Companies as on 30.09.2022.
9. The Applicant Companies have placed on record respective certificate from statutory auditors of the Applicant Companies certifying that accounting treatment provided in the Scheme is being compliant with the applicable Accounting Standards as specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles. The copy of the Certificate issued by the statutory Auditor of the Applicant Company No.2 and Applicant Company No.1 are annexed as Annexure A-XXXVIII (page no. 947-949) and 'Annexure A-XXXIX' (page no.950-953) respectively to the Company Scheme Application.
10. The Learned Counsel for the Applicant Companies submits that the Appointed Date for the Scheme of Amalgamation means April 01,2022 or such other date as the Board of Directors of the Transferor Company or the Transferee Company may determine or as the Securities and Exchange Board of India, the Stock Exchanges or the Tribunal(s) may direct. The copy of the Scheme of Amalgamation between the Applicant Companies is annexed as 'Annexure A-XXVIII' (page no. 853-873) to the Company Scheme Application.

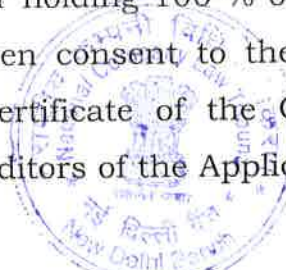




11. The Learned Counsel for the Applicant Companies submits that upon coming into effect of the Scheme:-

- (i) the 34,70,966 equity shares aggregating to 74.91% of the entire issued and paid-up share capital of the Transferor Company held by the Transferee Company shall automatically stand cancelled, and
- (ii) the public shareholders of the Transferor Company holding the balance 25.09% of the share capital shall be issued and allotted in dematerialized form, at the earliest 1 equity share of the Transferee Company of INR 1 fully paid up in exchange for 2 equity shares of INR 5 each fully paid up of the Transferor Company.

12. The Learned Counsel for the Applicant Companies submits that the Transferee Company and the Transferor Company, collectively have obtained a valuation report dated 29 June 2022 from M/s. Incwert Advisory Private Limited recommending the above-mentioned share exchange ratio. The copy of the valuation report dated 29.07.2022 issued by M/s. Incwert Advisory Private Limited is annexed as 'Annexure A-XXXI (page no. 883-897)'.
13. The Learned Counsel for the Applicant Companies submit that the Applicant Company No.1 as on 06.01.2023 has 1,330 Equity Shareholders and no preference shareholders or other category of shareholders. The copy of the certificate of the Chartered Accountant certifying the list of the Equity Shareholders of the Applicant Company No.1 as on 06.01.2022 is annexed as 'Annexure A-XVI' (page no. 707-815) to the Company Scheme Application.
14. The Learned Counsel for the Applicant Companies submits that there is only 'One' Secured Creditor in the Applicant Company No.1 to whom a credit of INR 212,872,402/- was due as on 30 November 2022. Further, it is submitted that the Secured Creditor holding 100 % of value of debt has by way of an affidavit has given written consent to the proposed scheme of Amalgamation. The copy of the certificate of the Chartered Accountant certifying the list of the Secured Creditors of the Applicant Company No.1 as





on 30.11.2022 is annexed as 'Annexure A-XVII' (page no.816-817) to the Company Scheme Application. The copy of the consent affidavit from the Secured Creditor of the Applicant Company No.1 is annexed as 'Annexure A-XXXV (Colly.)' (page no. 915-942) to the Company Scheme Application.

15. The Learned Counsel for the Applicant Companies submits that there are '8' Unsecured Creditors aggregating to the value of Rs.275,885,980/- as on 30.11.2022 in the Applicant Company No.1. The certificate of the chartered accountant certifying list of the Unsecured Creditors of the Applicant Company No.1 as on 30.11.2022 is annexed as 'Annexure A-XVIII' (page no. 818-819) to the Company Scheme Application.
16. The Learned Counsel for the Applicant Companies submit that the Applicant Company No.2 as on 06.01.2023 has 13,464 Equity Shareholders and and no preference shareholders or any other category of shareholders. The copy of the certificate of the Chartered Accountant certifying the list of the Equity Shareholders of the Applicant Company No.1 as on 06.01.2022 is annexed as 'Annexure A-VI' (page no. 214 -613) to the Company Scheme Application.
17. The Learned Counsel for the Applicant Companies submits that there are '8' Secured Creditors in the Applicant Company No.2 to whom a total credit of Rs.3,129,916,101/- is due as on 30.11.2022. Further, it is submitted that all the '8' Secured Creditor holding 100 % of value of debt have by way of affidavit have given written consent to the proposed scheme of Amalgamation. The certificate of the chartered accountant certifying the list of secured creditors of the Applicant Company No.2 as on 30.11.2022 is annexed as 'Annexure A-VII' (page no. 614-615) to the Company Scheme Application. The copy of the consent affidavit of the Secured Creditors of the Applicant Company No.2 are annexed as Annexure A-XXXVII (page no.994-946) to the Company Scheme Application.
18. The Learned Counsel for the Applicant Companies submits that the Applicant Company No.2 has '697' unsecured creditors to whom a credit of INR 2,534,434,391/- was due as on 30 November 2022. The certificate of





the chartered accountant certifying list of the Unsecured Creditors of the Applicant Company No.2 as on 30.11.2022 is annexed as 'Annexure A-VIII' (page no. 616-632) to the Company Scheme Application.

19. We have heard the Learned Counsel for the Applicant Companies and perused the record. Taking into consideration aforesaid submissions, following directions are issued: -

A1. In relation to Transferor Company/Applicant Company No.1

i) With respect to convening the meeting of the Equity Shareholders: -

In view of the fact that the Applicant Company No.1 being a listed entity and has 1330 Equity Shareholders, **meeting of the Equity Shareholders of the Applicant Company No.1 is directed to be held within a period of 60 days at such date and time as mutually decided by the Applicant Company No.1 and the Chairperson appointed** at Registered Office of the Applicant Company No.1 or such other place as may be decided within the jurisdiction where registered office is situated or through audio visual means enabled with e-voting for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. The quorum for the meeting of Equity Shareholders of the Applicant Company No.1 is at least 250 equity shareholders present in person or through Authorised Representative.

ii) With respect to convening the meeting of the Secured Creditors: -

The Applicant Company No.1 has only 1(one) Secured Creditor to whom, a credit of INR 212,872,402/- is due as on 30.11.2022 and the sole secured creditor has given its written consent to the proposed Scheme of Amalgamation. Therefore, in view of Section 230 (9) of the Companies Act, 2019, the requirement of convening the meeting of the **Secured Creditors of the Applicant Company No.1 is hereby dispensed with.**





iii) **With respect to convening the meeting of the Unsecured Creditors: -**

In view of the fact that the Applicant Company No.1 has '8' Unsecured Creditors aggregating to the value of Rs.275,885,980/- in the Applicant Company No.1, meeting of the Unsecured Creditors of the **Applicant Company No.1 is directed to be** within a period of 60 days at such date and time as mutually decided by the Applicant Company No.1 and the Chairperson appointed at Registered Office of the Applicant Company No.1 or such other place as may be decided within the jurisdiction where registered office is situated or through audio visual means enabled with e-voting for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. The quorum for the meeting of Unsecured Creditors of the Applicant Company No.1 is at least 3 Unsecured Creditors present in person or through Authorised Representative.

iv) Dr. V.K. Subburaj (Mobile No. 9868284555, Email Id vksubburaj80@gmail.com) is appointed as the Chairperson, Mr. Vishal Ganda, Advocate (Mobile No. 9811177701, Email Id vishal.ganda@covg.co.in) is appointed as Alternate Chairperson and Mr. Kushagra Goyal, Chartered Accountant (Mobile No. 9811097574 , Email Id- fca.kushagraoyal@gmail.com), is appointed as Scrutinizer for both the meeting of the Equity Shareholders and Unsecured Creditors of the Applicant Company No.1 in terms of the direction issued herein.

v) The Fees of the Chairperson for the aforesaid both the meetings shall be Rs.1,50,000/-. The Fees of the Alternate Chairperson for the aforesaid both the meetings Shall be Rs.1,25,000/- and the Fees of the Scrutinizer for the aforesaid both the meetings shall be Rs.1,25,000/- in addition to meeting their incidental expenses. The fees of Chairperson, Alternate Chairperson and Scrutinizer along with the travelling expenses and other out of pocket expenses shall be borne by the Applicant Companies. A copy of this order shall be supplied to the learned counsels for the Applicant





Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer.

- vi) The Applicant Company No.1 is further directed to serve notice along with copy of scheme upon: (1) the Regional Director (Northern region), Ministry of Corporate Affairs, Delhi; (2) the Registrar of Companies, NCT of Delhi & Haryana; (3) Income Tax Authority within whose jurisdiction the Applicant Company No.1 is assessed to tax; (4) SEBI; (5) NSE; (6) BSE; (7) Official Liquidator, Lok Nayak Bhavan, 8th Floor, Khan Market, New Delhi-11001 and any sectoral authorities who may have bearing on the operation of the Applicant Company No.1, pursuant to Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme.

A2. In relation to Transferee Company/Applicant Company No.2

- i) **With respect to convening the meeting of the Equity Shareholders: -**
In view of the fact that the Applicant Company No.1 being a listed entity and has 13,464 Equity Shareholders, **meeting of the Equity Shareholders of the Applicant Company No.2 is directed to be held on within a period of 60 days at such date and time as mutually decided by the Applicant Company No.2 and the Chairperson appointed at Registered Office of the Applicant Company No.2 or such other place as may be decided within the jurisdiction where registered office is situated or through audio visual means enabled with e-voting for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. The quorum of the meeting of the Equity Shareholders of the Applicant Company No.2 is at least 600 equity shareholders present in person or through authorised Authorised Representative.**





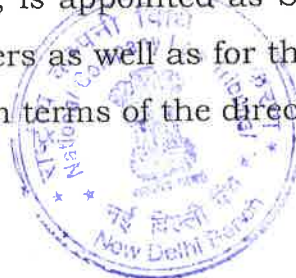
ii) **With respect to convening the meeting of the Secured Creditors: -**

The Applicant Company No.2 has 8 (eight) Secured Creditors to whom, a total credit of INR 3,129,916,101/- is due as on 30.11.2022 and all the Secured Creditors have given their respective written consent to the proposed Scheme of Amalgamation. Therefore, in view of Section 230 (9) of the Companies Act, 2019, the requirement of convening the meeting of the **Secured Creditors of the Applicant Company No.2 is hereby dispensed with.**

iii) **With respect to convening the meeting of the Unsecured Creditors: -**

In view of the fact that Applicant Company No.2 has '93' Unsecured Creditors aggregating to the value of Rs.2,534,434,391/- as on 30.11.2022, **meeting of the Unsecured Creditors of the Applicant Company No.2 is directed to be held** within a period of 60 days at such date and time as mutually decided by the Applicant Company No.2 and the Chairperson appointed at Registered Office of the Company or such other place as may be decided within the jurisdiction where registered office is situated or through audio visual means enabled with e-voting for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement. The quorum of the meeting of the Unsecured Creditors of the Applicant Company No.2 is at least 30 Unsecured Creditors present in person or through Authorised Representative.

- iv) Mr. G.P. Madaan, Advocate (Mobile No. 9810530312, Email Id- gpm@madaanlaw.in) is appointed as the Chairperson, Mr. Parvindra Nautiyal, Advocate, (Mobile No. 8882017384, Email Id Adv.parvindra@gmail.com) is appointed as Alternate Chairperson and Mr Gaurav Chauhan, Company Secretary (Mobile No. 9711717331 , Email Id- csgauravchauhan31@gmail.com), is appointed as Scrutinizer for both the meeting of the Equity Shareholders as well as for the Unsecured Creditors of the Applicant Company No.2 in terms of the direction issued herein.





- v) The Fees of the Chairperson for the aforesaid both the meetings shall be Rs.1,50,000/-. The Fees of the Alternate Chairperson for the aforesaid both the meetings Shall be Rs.1,25,000/- and the Fees of the Scrutinizer for the aforesaid both the meetings shall be Rs.1,25,000/- in addition to meeting their incidental expenses. The fees of Chairperson, Alternate Chairperson and Scrutinizer along with the travelling expenses and other out of pocket expenses shall be borne by the Applicant Companies.
- vi) The Applicant Company No.2 is further directed to serve notice along with copy of scheme upon: (1) the Regional Director (Northern region), Ministry of Corporate Affairs, Delhi; (2) the Registrar of Companies, NCT of Delhi & Haryana; (3) Income Tax Authority within whose jurisdiction the Applicant Company No.2 is assessed to tax; (4) SEBI; (5) NSE; (6) BSE and any sectoral authorities who may have bearing on the operation of the Applicant Company No.2, pursuant to Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme.
- B. The above-mentioned Applicant Companies to comply with the General Circular No. 10/2022 and General Circular No. 11/2022 read with General Circular No. 14/2020 dated 08th day of June, 2020 and General Circular No. 14/2020 dated 13th day of April, 2020 clarifying the passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder in case the meetings are conducted through audio visual means enabled with e-voting. The Companies may conduct the meeting of shareholders through Video Conferencing or Other Audio-Visual Means (VC/OAVM) and submit a report to this Tribunal about the compliance of the same.





- C. In case the quorum as noted above for the aforesaid respective meetings is not present at the meeting, then the meeting shall be adjourned by half an hour. Thereafter the persons present and voting shall be deemed to constitute the quorum.
- D. A copy of this order shall be supplied to the learned counsels for the Applicant Companies who in turn shall supply a copy of the same to the respective Chairperson, Alternate Chairperson and the Scrutinizer of the meetings as directed above.
- E. That individual notices of the above said meetings shall be sent by the Applicant Companies through registered post or speed post or through courier or e—mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along with it, and in addition to the above any other documents as may be prescribed under the Act or Rules may also be duly sent with the notice.
- F. That an individual notice of the aforesaid meetings of the Applicant Companies shall be advertised in two local newspapers viz. “Business Standard” in English and translation thereof in “Business Standard” in Hindi, both circulated in Delhi not less than one month before the date fixed for the meetings. The Applicant Companies shall also publish the notice on their websites, if any and file a compliance affidavit of service with this Tribunal.
- G. The Chairperson shall be responsible to report the results of the meetings to the Tribunal in Form No. CAA 4, as per Rule 14 of the Rules within 7 (seven) days of the conclusion of the meetings. The Chairperson shall be assisted by the Alternate Chairperson and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports.



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H. Voting shall be allowed on the proposed Scheme by voting in person, by proxy, through postal ballot or through electronic means as may be decided by the Chairperson in consultation with the counsel of the Applicant Companies in terms of the provisions of the Companies Act, 2013 and Rules framed there under.

20. The Applicant Companies Shall file Compliance Affidavit with regard to the directions given in this order proving dispatch of service of notices to relevant Equity Shareholders and Unsecured Creditors of the respective Applicant Company as well as service of notice to the regulatory authorities.

Sd/-

(DR. BINOD KUMAR SINHA)
MEMBER (T)

Sd/-

(P.S.N. PRASAD)
MEMBER (J)



Vishal Rana
24-02-2023

Prasad
24/02/2023
सहायक पंजीयक
ASSISTANT REGISTRAR
राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
C.G.O. COMPLEX, NEW DELHI-110 003