

gokaldas exports Ltd

GEL/SEC/2019-20

12th March, 2019

BSE Limited
Floor 25, P.J Towers,
Dalal Street,
MUMBAI – 400 001

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra – Kurla Complex, Bandra (E),
MUMBAI-400 051

SCRIP CODE: 532630

GOKEX

Dear Sir,

Sub: Intimation of Merger Order passed by the Hon'ble National Company Law Tribunal, Bengaluru Bench – Reg

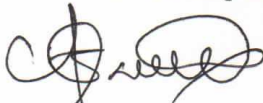
Reference: Observation Letter received from the BSE Limited dated 30th December, 2016
Observation Letter received from the National Stock Exchange Limited dated 30th December, 2016.

This is to inform that as per the intimation given by the Company on 30th September, 2016, the Shareholders Approval Intimation on 29th November 2017 and the observation letter received from BSE Limited and National Stock Exchange of India Ltd on 30th December, 2016, the Amalgamation of M/s Deejay Trading Pvt Ltd (Transferor Company No.1), Glamourwear Apparels Pvt Ltd (Transferor company No.2), Madhin Trading Pvt Ltd (Transferor Company No.3), Magenta Trading Pvt Ltd (transferor Company No.4), Rafter Trading Pvt Ltd (Transferor company No.5), Rajdin Apparels Pvt Ltd (transferor Company No.6), Reflexion Trading Pvt Ltd (Transferor Company No.7), Rishikesh Apparels Pvt Ltd (Transferor Company No.8) Seven Hills Clothing Pvt Ltd (Transferor Company No. 9), with M/s Gokaldas Exports Limited (Transferee Company) has been approved by the Hon'ble National Company Law Tribunal (NCLT), Bengaluru Bench, Karnataka vide its order dated 8th March, 2019.

The Order was received by the Company on 11th March, 2019 and a certified copy of this Order is enclosed for your ready reference.

Kindly take note of the same

Thanking you
For Gokaldas Exports Ltd



Sathyamurthy A
Compliance officer



Regd. Office :

#16/2, Residency Road, BANGALORE - 560 025 (INDIA)

Telephone : 22223600 - 1- 2, 41272200

Fax No. 91 - (080) - 22274869, 22277497, E-mail : gokex@vsnl.com



**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

CP(CAA)No. 14/BB/2018
U/S 230 and 232 of the Companies Act, 2013
R/w Companies (Compromise, Arrangement and Amalgamation) Rules, 2016

Order Delivered on: 08th March 2019

**IN THE MATTER OF SCHEME OF AMALGAMATION
BETWEEN**

**DEEJAY TRADING PRIVATE LIMITED
(Applicant No.1/Transferor Company No. 1)
AND**

**GLAMOURWEAR APPARELS PRIVATE LIMITED
(Applicant No.2/ Transferor Company No. 2)
AND**

**MADHIN TRADING PRIVATE LIMITED
(Applicant No.3/ Transferor Company No. 3)
AND**

**MAGENTA TRADING PRIVATE LIMITED
(Applicant No.4/ Transferor Company No. 4)
AND**

**RAFTER TRADING PRIVATE LIMITED
(Applicant No.5/ Transferor Company No. 5)
AND**

**RAJDIN APPARELS PRIVATE LIMITED
(Applicant No.6/ Transferor Company No. 6)
AND**

**REFLEXION TRADING PRIVATE LIMITED
(Applicant No.7/ Transferor Company No. 7)
AND**

**RISHIKESH APPARELS PRIVATE LIMITED
(Applicant No.8/ Transferor Company No. 8)
AND**

**SEVEN HILLS CLOTHING PRIVATE LIMITED
(Applicant No.9/ Transferor Company No. 9)
WITH**

GOKALDAS EXPORTS LIMITED



(Applicant No.10/ Transferee Company)

AND THEIR RESPECTIVE SHARE HOLDERS AND CREDITORS

Coram: Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
Hon'ble Dr.Ashok Kumar Mishra, Member (Technical)

Deejay Trading Private Limited,

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.1/ Transferor Company No.1

Glamourwear Apparels Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.2/ Transferor Company No.2

Madhin Trading Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.3/ Transferor Company No.3

Magenta Trading Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.4/ Transferor Company No.4

Rafter Trading Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.5/ Transferor Company No.5

Rajdin Apparels Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.6/ Transferor Company No.6

Reflexion Trading Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.7/ Transferor Company No.7

Rishikesh Apparels Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.8/ Transferor Company No.8

Seven Hills Clothing Private Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.9/ Transferor Company No.9

Gokaldas Exports Limited

16/2, Residency Road,
Bangalore – 560 025

....Applicant No.10/ Transferee Company

For the Petitioner: Shri V. Shreedharan,
Practising Company Secretary



For the ROC and RD: Smt. Prema Hatti,
Standing Counsel, Central Government

For the Income Tax Department: Shri Dilip for Shri K.V. Aravind,
Standing Counsel, Income Tax Department

Per: Hon'ble Shri Ashok Kumar Mishra, Member (Technical)

Heard on : 20.02.2018, 20.02.2018, 23.02.2018, 06.04.2018, 11.05.2018, 14.06.2018, 10.07.2018, 02.08.2018, 20.08.2018, 11.09.2018, 05.10.2018, 20.11.2018, 17.12.2018, 04.01.2019 and 08.01.2018.

ORDER

1. This Company Petition was jointly filed by the Petitioner Companies under Section 230 and 232 of the Companies Act, 2013 seeking for the Scheme of Amalgamation to be sanctioned by this Hon'ble Tribunal so as to be binding on the Transferee Companies and Transferor Company and their respective shareholders and creditors.
2. Brief facts as mentioned in the Company Petition are as follows:
 - 1) The object of this Petition is to obtain sanction of this Hon'ble Tribunal to the Scheme of Amalgamation of Deejay Trading Private Limited (Transferor Company No.1), Glamourwear Apparels Private Limited (Transferor Company No.2), Madhin Trading Private Limited (Transferor Company No.3), Magenta Trading Private Limited (Transferor Company No.4), Rafter Trading Private Limited (Transferor Company No.5), Rajdin Apparels Private Limited (Transferor Company No.6), Reflexion Trading Private Limited (Transferor Company No.7), Rishikesh Apparels Private Limited (Transferor Company No.8), Seven Hills Clothing Private Limited (Transferor Company No.9), with Gokaldas Exports Limited (Transferee Company) and their respective shareholders and creditors.
 - 2) The Applicant Company No.1 hereinafter also referred to as the "Transferor Company No.1" was incorporated on 21st February 2003 under the name and style "*Deejay Trading Private Limited*", having its CIN No.U17111KA2003PTC031614. The Registered office of the Applicant Company No.1 is situated at 16/2, Residency Road, Bangalore – 560 025.
 - 3) The main objects to be pursued by the Transferor Company No.1 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth,



curtain cloth, furnishing material, hosiery, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.

- 4) The authorised, issued subscribed and paid-up share capital of the Petitioner Company No.1 as on March 31, 2017, was as follows:

Authorised Capital	Amount in INR
20,000 Equity shares of Rs. 10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity shares of Rs. 10/- each fully paid up	2,00,000/-

- 5) The Board of Directors of the Transferor Company No.1 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.1 with Transferee Company at its meeting held on 30th January, 2017.
- 6) The Applicant Company No.2 hereinafter also referred to as the "Transferor Company No.2" was incorporated on 17th June 2004 under the name and style "*Glamourwear Apparels Private Limited*", having its CIN No.U18101KA2004PTC034154. The Registered office of the Applicant Company No.2 is situated at 16/2, Residency Road, Bangalore – 560 025.
- 7) The main objects to be pursued by the Transferor Company No.2 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosiery, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosiery, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.
- 8) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.2 as on March 31, 2017 was as follows:



Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-

- 9) The Board of Directors of the Transferor Company No.2 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.2 with Transferee Company at its meeting held on 30th January, 2017.
- 10) The Applicant Company No.3 hereinafter also referred to as the "Transferor Company No.3" was incorporated on 27th February 2003 under the name and style "*Madhin Trading Private Limited*", having its CIN No.U17111KA2003PTC031643. The Registered office of the Applicant Company No.3 is situated at 16/2, Residency Road, Bangalore – 560 025.
- 11) The main objects to be pursued by the Transferor Company No.3 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosieries, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.
- 12) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.3 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-



- 13) The Board of Directors of the Transferor Company No.3 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.3 with Transferee Company at its meeting held on 30th January, 2017.
- 14) The Applicant Company No.4 hereinafter also referred to as the "Transferor Company No.4" was incorporated on 27th February 2003 under the name and style "*Magenta Trading Private Limited*", having its CIN No.U17111KA2003PTC031645. The Registered office of the Applicant Company No.4 is situated at 16/2, Residency Road, Bangalore – 560 025.
- 15) The main objects to be pursued by the Transferor Company No.4 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosieries, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.
- 16) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.4 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-

- 17) The Board of Directors of the Transferor Company No.4 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.4 with Transferee Company at its meeting held on 30th January, 2017.
- 18) The Applicant Company No.5 hereinafter also referred to as the "Transferor Company No.5" was incorporated on 07th March 2003 under the name and style "*Rafter Trading Private Limited*", having its CIN No.U17111KA2003PTC031681. The Registered office of the Applicant Company No.5 is situated at 16/2, Residency Road, Bangalore – 560 025.



19) The main objects to be pursued by the Transferor Company No.5 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosieries, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.

20) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.5 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-

21) The Board of Directors of the Transferor Company No.5 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.5 with Transferee Company at its meeting held on 30th January, 2017.

22) The Applicant Company No.6 hereinafter also referred to as the "Transferor Company No.6" was incorporated on 07th May 2004 under the name and style "*Rajdin Apparels Private Limited*", having its CIN No.U18101KA2004PTC033904. The Registered office of the Applicant Company No.6 is situated at 16/2, Residency Road, Bangalore – 560 025.

23) The main objects to be pursued by the Transferor Company No.6 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosieries, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn,



synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.

- 24) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.6 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-

- 25) The Board of Directors of the Transferor Company No.6 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.6 with Transferee Company at its meeting held on 30th January, 2017.

- 26) The Applicant Company No.7 hereinafter also referred to as the "Transferor Company No.7" was incorporated on 07th March 2003 under the name and style "*Reflexion Trading Private Limited*", having its CIN No.U17111KA2003PTC031680. The Registered office of the Applicant Company No.7 is situated at 16/2, Residency Road, Bangalore – 560 025.

- 27) The main objects to be pursued by the Transferor Company No.7 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosierys, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosierys, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.

- 28) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.7 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
10,000 Equity Shares of Rs.10/- each	1,00,000/-



Issued, Subscribed and Paid-Up Capital	Amount in INR
10,000 Equity Shares of Rs.10/- each fully paid up	1,00,000/-

- 29) The Board of Directors of the Transferor Company No.7 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.7 with Transferee Company at its meeting held on 30th January, 2017.
- 30) The Applicant Company No.8 hereinafter also referred to as the "Transferor Company No.8" was incorporated on 15th April 2004 under the name and style "*Rishikesh Apparels Private Limited*", having its CIN No.U18101KA2004PTC033760. The Registered office of the Applicant Company No.8 is situated at 16/2, Residency Road, Bangalore – 560 025.
- 31) The main objects to be pursued by the Transferor Company No.8 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosieries, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.
- 32) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.8 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-

- 33) The Board of Directors of the Transferor Company No.8 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.8 with Transferee Company at its meeting held on 30th January, 2017.
- 34) The Applicant Company No.9 hereinafter also referred to as the "Transferor Company No.9" was incorporated on 18th June 2004 under the name and style "*Seven Hills Clothing*



Private Limited", having its CIN No.U18101KA2004PTC034162. The Registered office of the Applicant Company No.9 is situated at 16/2, Residency Road, Bangalore – 560 025.

35) The main objects to be pursued by the Transferor Company No.9 on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosiery, manmade fibres, viscose, and viscose blended fibres, readymade garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosiery, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.

36) The Authorised, issued, subscribed and paid-up share capital of Transferor Company No.9 as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each	2,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
20,000 Equity Shares of Rs.10/- each fully paid up	2,00,000/-

37) The Board of Directors of the Transferor Company No.9 has approved and adopted the Scheme of Amalgamation of Transferor Companies, including Transferor Company No.9 with Transferee Company at its meeting held on 30th January, 2017.

38) The Applicant Company No.10 hereinafter also referred to as the "Transferee Company" was incorporated on 01st March 2004 under the name and style "*Gokaldas India Private Limited*", having its CIN No.U18101KA2004PTC033475. on 24th January 2005, the name of the Company was changed to "*Gokaldas Exports Limited*". The Registered office of the Applicant Company No.10 is situated at 16/2, Residency Road, Bangalore – 560 025.

39) The main objects to be pursued by the Transferee Company on its incorporation is to carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consigners, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosiery, manmade fibres, viscose, and viscose blended fibres, readymade



garments, made-ups, dhoties, sarees, lungies, bed-sheets, towels, table cloth, curtain cloth, furnishing material, hosiery, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri cotton, terelyne, poly-fibre and/or any other fibrous material etc.

- 40) The Authorised, issued, subscribed and paid-up share capital of Transferee Company as on March 31, 2017 was as follows:

Authorised Capital	Amount in INR
4,00,00,000 Equity Shares of Rs.5/- each	20,00,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount in INR
3,49,27,662 Equity Shares of Rs.5/- each fully paid up	17,46,38,310/-

- 41) The Board of Directors of the Transferee Company has approved and adopted the Scheme of Amalgamation of Transferor Companies with the Transferee Company at its meeting held on 03rd February, 2017.
- 42) It is stated that all the Transferor Companies are wholly owned subsidiaries of the Transferee Company, which owns 100% of the paid up share capital of each of the Transferor Companies by itself and through its nominees.
- 43) A brief summary of the financial position of the Transferor Companies and the Transferee Company is given below:

(unaudited figures as on June 30, 2017; in Rupees Lakhs)

Company	Paid up share capital	Total Revenue	Total expenses	Profit (Loss) carried to Balance Sheet, after taxes, if any
Deejay Trading Private Limited (Transferor Company No.1)	2.00	347.32	349.17	(1.85)
Glamourwear Apparels Private Limited	2.00	478.20	479.89	(1.69)



(Transferor Company No.2)				
Mahin Trading Private Limited (Transferor Company No.3)	2.00	262.09	261.00	1.09
Magenta Trading Private Limited (Transferor Company No.4)	2.00	685.64	683.99	1.65
Rafter Trading Private Limited (Transferor Company No.5)	2.00	635.27	631.69	3.58
Rajdin Apparels Private Limited (Transferor Company No.6)	2.00	655.00	651.07	3.94
Reflexion Trading Private Limited (Transferor Company No.7)	1.00	450.95	450.20	0.51
Rishikesh Apparels Private Limited (Transferor Company No.8)	2.00	958.28	964.59	(6.31)
Seven Hills Clothing Private Limited (Transferor Company No.9)	2.00	1837.63	1837.00	0.63
Gokaldas Exports Limited (Transferee Company)	1746.97	24,939.74	25,785.43	(845.69)

44) The shareholding pattern of the nine Transferor Companies is given below:

S. No.	Name of Company	No. of equity shares held by Transferee Co	No. of equity shares held by Nominees of Transferee Co	Total No. of equity shares (paid up)



1.	Deejay Trading Private Limited (Transferor Company No.1)	19,940	60	20,000
2.	Glamourwear Apparels Private Limited (Transferor Company No.2)	19,940	60	20,000
3.	Mahin Trading Private Limited (Transferor Company No.3)	19,940	60	20,000
4.	Magenta Trading Private Limited (Transferor Company No.4)	19,940	60	20,000
5.	Rafter Trading Private Limited (Transferor 3.94Company No.5)	19,940	60	20,000
6.	Rajdin Apparels Private Limited (Transferor Company No.6)	19,940	60	20,000
7.	Reflexion Trading Private Limited (Transferor Company No.7)	9,940	60	10,000
8.	Rishikesh Apparels Private Limited (Transferor Company No.8)	19,940	60	20,000
9.	Seven Hills Clothing Private Limited (Transferor Company No.9)	19,940	60	20,000

3. The Applicant Companies had filed the joint Company Application No. (CAA) 54/BB/2017 before this Tribunal for seeking dispensation of meetings of the shareholders and creditors of Applicant Companies No.1 to 9 and for dispensing the meeting of unsecured creditors of Applicant Company No.10 and to convene the meetings of Shareholders and Secured Creditors of Applicant Company No.10. This Tribunal vide its orders dated 25th September, 2017 dispensed with the meetings of the shareholders and creditors of Applicant Companies No.1 to 9 and meeting of unsecured creditors of Applicant Company No.10, while ordering the meetings of Shareholders and Secured Creditors of Applicant Company No.10 to be convened.



4. This Tribunal vide its orders dated 23rd February 2018 directed the Petitioner Companies to issue Notice to all relevant statutory authorities including RD, ROC, OL, Income Tax authorities, SEBI, BSE, NSE, and to any other regulatory authorities and also permitted to issue paper publication in the News paper in Financial Express, English daily and Prajavani, Kannada daily, Bangalore Edition.
5. In pursuant to the same the authorised signatories for the Petitioner Companies have filed a affidavit dated 28.03.2018 for having taken paper publication as directed and have also furnished the copy of the paper publications for having taken Advertisement in 'Financial Express', an English daily Newspaper and 'Prajavani' a Kannada daily Newspaper and have also filed proof of service of notice on concerned regulatory authorities.
6. The Official Liquidator attached to the High Court of Karnataka has filed report OLR No.36/2018 dated 08th March, 2018 making the following requests:
- a) That the Official Liquidator may be permitted to appoint a Chartered Accountant from the panel approved by the Hon'ble High Court of Karnataka for scrutiny of the books of account and records of Transferor Company and to submit reports on the affairs of the Company.
 - b) That the Petitioner Company may be directed to pay the professional fees of the Chartered Accountant as may be mutually agreed and that in case the Chartered Accountant charges exorbitant fee which is not acceptable to the Transferor Company, the Official Liquidator shall appoint other Chartered Accountant by cancelling the appointment of the Chartered Accountant.
7. The Registrar of Companies, Karnataka has filed the observations dated 20.04.2018 making the following observations:
- i. At Clause No. 5(ii) of the Scheme it was mentioned that no payment of any extra stamp duty and or fee shall be made by the Transferee Company for increase in authorised share capital of the Transferor Companies with it.

In this regard Transferee Company has to comply with the provisions of Section 232(3)(i) of the Act, 2013, i.e., the fee if any paid by the transferor company on its authorised capital shall be set off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and not otherwise like the complete waiver of fees as stated in the said clause.



- ii. There are no prosecutions, complaints, technical scrutiny/inspections pending in this office against the petitioner companies. The petition may be decided on merits.

8. The Regional Director, Ministry of Corporate Affairs, South-East Region, Hyderabad represented by Registrar of Companies has filed Affidavit dated 20th April, 2018 making some observations:

- (i) In Clause 5 of the Scheme the petitioner transferee company has sought complete waiver of the fee and stamp duty payable on account of consolidation of authorised share capital of the Transferor and Transferee Company which is not acceptable in view of the provisions of Section 232(3) (i) of the Companies Act, 2013. The Transferee Company has to pay the differential fee and stamp duty on the increased authorised capital after setting off the fee if any paid by the transferor company.

9. The Official Liquidator attached to the High Court of Karnataka has filed report OLR No. 66/2018 dated 01st May, 2018 making the following submissions:

- i. That the Transferor Companies alongwith Transferee Company have filed a petition u/s 230 to 232 of the Companies Act, 2013 before this Hon'ble Tribunal seeking thereby the orders for sanction of amalgamation of the Transferor Companies with the Transferee Company.
- ii. That pursuant to the orders of this Hon'ble Tribunal 06.04.2018, Rao & Emmar, Chartered Accountants were appointed for scrutiny of the books of accounts and records of above Applicant Companies.
- iii. That M/s Rao & Emmar, Chartered Accountants, has submitted her report dated 26.04.2018 on the affairs of Transferor Companies have concluded the report as follows:-

“On examination of Books of Accounts and Records of the Transferor Companies as per the explanations and information provided by the Companies, we report the following:

- A. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of scrutiny of books and papers of the Transferor Companies.



- B. We are of the opinion that the Companies have maintained proper books of accounts, statutory registers, minutes and records as required by the Companies Act, 2013.
- C. We are of the opinion that the business have not been carried on with intent to defraud the creditors or any other persons or for any fraudulent purpose attracting the penal provisions of Section 339 of the Companies Act, 2013.
- D. Neither has any person or officer or director of the Companies misapplied or diverted or retained or become liable or accountable for any money or property of the Companies or have been found guilty of any misappropriation, breach of trust in relation to the Companies under Section 340 of the Companies Act, 2013.
- E. We are of the opinion that the affairs of the DeeJay Trading Private Limited (Transferor Company No.1), Glamourwear Apparels Private Limited (Transferor Company No.2), Mahin Trading Private Limited (Transferor Company No.3), Magenta Trading Private Limited (Transferor Company No.4), Rafter Trading Private Limited (Transferor Company No.5), Rajdin Apparels Private Limited (Transferor Company No.6), Reflexion Trading Private Limited (Transferor Company No.7), Rishikesh Apparels Private Limited (Transferor Company No.8), Seven Hills Clothing Private Limited (Transferor Company No.9), Transferor Companies have not been conducted in a manner prejudicial to the interests of the members or the public”
- iv. That the Official Liquidator prays this Hon’ble Tribunal that suitable order/orders may be passed on the merits of the case subject to objection, if any, by other sectoral regulators.
10. The Authorized Representative of the Petitioner Companies has filed an Affidavit dated 05th July, 2018 in furnishing response to the affidavit of the Registrar of Companies, stating that:-
- a) That Gokaldas Exports Limited shall make the payment of any stamp duty and/or fee which may become due upon increase in the authorised share capital of Gokaldas Exports Limited (i.e., the Transferee Company) on account of the clubbing of the authorised share capital of the Transferor Companies with it.
- b) That Gokaldas Exports Limited (i.e., the Transferee Company) shall abide by the provisions of Section 232(3)(i) of the Companies Act, 2013, i.e., the fee if any paid by the



Transferor Company(ies) on its Authorised Capital shall be set off against any fees payable by the Transferee Company on its authorised capital subsequent to the amalgamation and not otherwise like the complete waiver of fees as stated in the said clause no. 5(ii) of the Scheme.

11. On 02.08.2018, this Tribunal had permitted the Petitioner to take personal notice from the Registry to the Income Tax Authority and has also directed the Income Tax Department to file its reply letter on subject of Sections 230-232 of Companies Act, 2013. Thereafter, on the next date of hearing the standing counsel for ROC & RD was directed to contact the concerned Income Tax Department Authorities and to get their reply in the case. On 15.11.2018, the Assistant Commissioner of Income Tax wrote Letter bearing No. F. No. AADCD5089L/NOC-NCLT/ACIT-C-2(1)(2)/2018-19 wherein it is stated that there is no tax due to the department in the case of M/s DeeJay Trading Pvt. Ltd. and hence has no objection to the amalgamation of the said Company (Transferor Company No.1) subject to payment of any demands arising in future. After several adjournments, the Income Tax Department filed its objections for the proposed amalgamation on 20.11.2018 as follows:

- (i) The Assessing Officers except in respect of Seven Hills Clothing Private Limited have expressed no objection for the proposed amalgamation. However, in interest of the revenue and also in interest of the Transferor and Transferee Companies, it is requested that to consider the Scheme of Amalgamation after the end of December 2018 in view of the ongoing assessment proceedings which will have direct bearing and also implication on the proposed transfer/amalgamation.
- (ii) It is submitted that on the scheme being granted by this Hon'ble Tribunal, the transferor companies ceases to exist in the eye of law. In view of Section 170 of the Income Tax Act, the assessments need to be continued/initiated/concluded in the hands of the Transferee Companies. In order to conclude the assessments in the hands of the Transferee Companies, the transferee company has to be granted an opportunity of hearing. In view of the assessments for the Assessment Year 2016-17 are to be concluded before 31/12/2018, in view of only 13 days being left, it would not be practically possible for the Assessing Officer to shift the assessments in the case of the Transferor Companies to Transferee Company and provide an opportunity of hearing to the Transferee Company and comply with the



principles of natural justice. Hence it is requested to defer the matter of consideration of the scheme to the first week of January 2019.

(iii) It is submitted that though the transferee has expressed to execute an undertaking, undertaking not to raise any technical objections, in view of the settled position of law that consent cannot confer jurisdiction, the transferee company may not give up its right to contend that the assessments have been made in the name of the Transferor companies after the companies have ceased to exist in view of the scheme of amalgamation granted by this Hon'ble Tribunal. In order to avoid such technical issues being raised and assessments being made by the Assessing Officer is being affected, it would be appropriate to adjourn the matter to the first week of January 2019 which would protect the interest and revenue as well as the interest of the transferor and transferee companies.

(iv) The Hon'ble Supreme Court in the case of Vodafone Gujarat Essar Ltd has clearly held that while granting the scheme of amalgamation, the interest of the income tax department needs to be protected against any technical objections to be raised to avoid payment of tax on scheme being granted.

12. The Authorized Representative of the Petitioner Companies has filed a Memo dated 24th December, 2018 in furnishing response to the Objections filed by the Income Tax Department, stating that:-

- a. The Department has not raised any objection with respect to transferor Company Nos. 1 to 8. With respect to Transferor Company No.9, i.e., Seven Hills Clothing Private Limited, the Income Tax Department have submitted that assessment for Assessment Year 2016-17 are to be concluded before 31/12/2018 and have sought deferment of consideration of the Scheme of Amalgamation to the first week of January 2019.
- b. Though a number of notices have been served on the Income Tax Department, further delay in approving the Scheme of Amalgamation as contained in the Petition will cause serious hardship to the Petitioner Companies.
- c. In para 14.2 of the Scheme of Amalgamation, it has been made clear that any tax liabilities of the Transferor Company(ies) as on a date preceding the Appointed Date (i.e., April 01, 2016) shall be transferred to the Transferee Company, i.e., Gokaldas Exports Limited.



13. The Income Tax Department filed a Memo on 08.01.2019 producing the copies of the letters received from the concerned Assessing Officers with regard to scheme of Amalgamation, which are given below:

- (i) Letter of Assistant Commissioner of Income Tax dated 15.11.2018 bearing No. F. No. AADCD5089L/NOC-NCLT/ACIT-C-2(1)(2)/2018-19 wherein it is stated that there is no tax due to the department in the case of M/s DeeJay Trading Pvt. Ltd. and hence has no objection to the amalgamation of the said Company (Transferor Company No.1) subject to payment of any demands arising in future.
- (ii) Letter of Deputy Commissioner of Income Tax dated 14.11.2018 bearing No. F. No. Amal.Merg/DCIT-3(1)(2)/2018-19 wherein it is stated that there is no tax due to the department in the case of M/s Glamourwear Apparels Pvt. Ltd. and hence has no objection to the amalgamation of the said Company (Transferor Company No.2) subject to payment of any demands arising in future.
- (iii) Letter of Deputy Commissioner of Income Tax dated 09.11.2018 bearing No. F. No. 58/Amalgamation/C.4(1)(2)/2018-19 wherein it is stated that there is no outstanding demand in respect of M/s Madhin Trading Pvt. Ltd. and M/s Magenta Trading Pvt. Ltd. and that the office has no objection to the amalgamation of the said Companies (Transferor Company No.3 & 4) with M/s Gokaldas Exports Ltd.
- (iv) Letter of Income Tax Officer, Ward-5(1)(4), Bengaluru dated 16.10.2018 bearing No. F. No. NCLT/W-5(1)(4)/2018-19 wherein it is stated that out of the nine companies to be amalgamated with Gokaldas Exports Ltd, only two companies are pertaining to the said office, viz., M/s Rafter Trading Pvt Ltd and M/s Reflexion Trading Pvt. Ltd. It is further stated that there is no outstanding demand in case of M/s Rafter Trading Pvt. Ltd. (Transferor Company No.5), but the outstanding arrear demand in case of M/s Reflexion Trading Pvt. Ltd. are as follows:

Demand	AY	Amount
FBT	2007-08	11,825/-
FBT	2008-09	1,607/-
FBT	2009-10	446/-

It is stated that the above mentioned demand is being adjusted against the refund order for the FY 2015-16. It is also stated that the office has no objection to the proposed



amalgamation, subject to the implications of the Income Tax Act, 1961 which may arise at a latter stage.

- (v) Letter of Deputy Commissioner of Income Tax, Ward-5(1)(5), Bengaluru dated 16.10.2018 bearing No. F. No. NCLT/DCIT-C-5(1)(1)/BLR/2018-19 wherein it is stated that out of the nine companies to be amalgamated with Gokaldas Exports Ltd, only two companies are pertaining to the said office, viz., M/s Rajdin Apparels Pvt Ltd and M/s Rishikesh Apparels Pvt. Ltd. It is further stated that there is no arrears demand in case of M/s Rafter Trading Pvt. Ltd. (Transferor Company No.6) and M/s Rishikesh Apparels Pvt. Ltd. (Transferor Company No.7), and hence the office has no objection to the Scheme of amalgamation.
- (vi) Letter of Assistant Commissioner of Income Tax (HQ), dated 30.10.2018 bearing No. F. No. NCLT/Pr CIT-5/2018-19 wherein it is stated that out of the nine companies to be amalgamated with Gokaldas Exports Ltd, only four companies are being assessed under Pr. Commissioner of Income Tax-5, Bangalore, viz., M/s Rajdin Apparels Pvt Ltd, M/s Rishikesh Apparels Pvt. Ltd, M/s Rafter Trading Pvt Ltd and M/s Reflexion Trading Pvt. Ltd. It is further stated that there is no arrears demand is pending against the above companies and the office has no objection to the Scheme of amalgamation pertaining to the above mentioned companies.
- (vii) Letter of Deputy Commissioner of Income Tax (HQ), Bengaluru dated 15.11.2018 bearing No. F. No. Appeal/ Pr CIT-6/2018-19 wherein it is stated that scrutiny assessment proceedings are pending against M/s Seven Hills Clothing Pvt. Ltd. It is further stated that the process of amalgamation may be kept pending till completion of assessment proceedings for AY 2017-18.
- (viii) The case laws in *Vodafone Essar Gujarat Ltd. vs. Department of Income Tax*, [2013]35 Taxmann.com397 (Gujarat) and *Department of Income Tax vs. Vodafone Essar Gujarat Ltd.*[2016] 66 taxmann.com 374(SC) is relied on.

14. Heard Shri V. Shridharan, Practising Company Secretary appearing for the Applicant Companies and Shri Dilip, advocate, for Shri K.V. Aravind, standing Counsel for Department of Income Tax. After hearing the Counsel for the Petitioner Companies and considering the materials on record the Scheme appears to be fair, reasonable and is not detrimental against the Members or Creditors or contrary to public policy and the same can be approved.

15. THIS TRIBUNAL DO FURTHER ORDER:



Aravind

- (A) Clause 5 of the Scheme shall stand modified to the extent of payment of filing fees and stamp duty by the Transferee Company is concerned. The Transferee Company has to pay the differential fee after setting off the fee already paid by the Transferor Companies on it, in accordance with Subsection (i) to the proviso under Section 232 (3) of the Companies Act, 2013.
- (B) While approving the Scheme, we make clear 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, and payment in accordance with law or in respect to any permission/compliance with any other requirement which may be specially required under any law; and
- (C) The Whole of the property, rights and powers of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of the Companies Act, 2013, be transferred to and vest in the transferee company for all the state and interest of the Applicant/Transferor Companies therein but subject nevertheless to all the charges now affecting the same; and
- (D) All the liabilities including taxes and charges, if any, and duties of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and
- (E) The tax implications, if any, arising out of the scheme is subject to final decision of Concerned Tax Authorities and the decision of the Concerned Tax Authorities shall be binding; and
- (F) All the proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company, if any; and
- (G) The Applicant Companies shall within thirty days of the date of the receipt of this order cause a certified copy of this order along with a copy of scheme of Amalgamation to be delivered to the Registrar of Companies for registration in accordance with applicable rules and regulations; and
- (H) The Registrar of Companies to ensure Compliance of undertaking of Applicant Companies' Representative in Affidavit dated 05th July, 2018 as well as stamp duty as fixed by Inspector General of Registration and Commissioner of stamps; as also of compliances as stated in the following paragraph, 15(I).
- (I) This is subject to compliance by the Applicant Companies of the following:



[Handwritten signature]

- a. The applicable stamp duty on transfer of assets is to be paid by the Transferee Company after setting off the fee already paid by the Transferor Companies on it, in accordance with Subsection (i) to the proviso under Section 232 (3) of the Companies Act, 2013. Clause No. 5 of the Scheme shall stand modified to this extent.
- b. Any tax liability that may arise with respect to any of the Transferor Companies, including income tax scrutiny assessment proceedings which are pending against M/s Seven Hills Clothing Pvt. Ltd. for the AY 2017-18, shall be borne by the Transferee Company. In case of any criminal liability with respect to M/s Seven Hills Clothing Pvt. Ltd. is raised, the concerned Director/Official will continue to be responsible under the provisions of Companies Act, 2013 in view of Clause 11 of the Scheme of Amalgamation. It has been noted that the Scrutiny Assessment proceeding for year 2017-18 is still pending as of January 2019 although this Bench started hearing the matter in February 2018.
- c. All Transferor Companies, except Transferor Companies No.3 and 4, in line with the report of the Chartered Accountant- M/s Rao & Emmar submitted along with Report of the Official Liquidator, OLR No.66 of 2018, will have to ensure payment of its outstanding dues to labour authorities even under protest within two weeks from the date of receipt of this Order, and if any refund is made at a later date, the same will be credited to the Transferee Company.
- d. The Transferee Company is required to comply with related regulations as may be required with respect to SEBI, NSE Limited, and BSE Limited.
- (J) This Scheme is provisionally approved subject to above pre-conditions which however does not preclude the Statutory Authority to take any action even with regard to arguments made in the petition provided such arguments happen to be false and suppressive.
- (K) The Registrar of Companies, Karnataka shall ensure that the stamp duty as fixed by the Inspector General of Registration and Commissioner of Stamps is paid within stipulated time under relevant provisions of law; and
- (L) The appointed date shall be 1st April, 2016; and
- (M) The Transferor Companies or its Authorized Signatories are directed that after the completion of the process of Amalgamation to handover the possession of the Books of Accounts and other relevant documents of the Transferor Companies to the Transferee Company for the purpose of section 239 of the Companies Act, 2013.



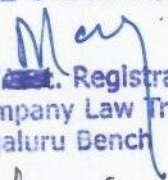
(N) Any person shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

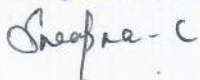

ASHOK KUMAR MISHRA
(MEMBER, TECHNICAL)


RAJESWARA RAO VITTANALA
(MEMBER, JUDICIAL)



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National Company Law Tribunal
Bengaluru Bench


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