



**In the National Company Law Tribunal  
Division Bench, Chennai**

**CP/135/CAA/2017  
[CA/60/CAA/2017]**

Under Sections 230 to 232 of the Companies Act, 2013

**In the matter of Scheme of Amalgamation of**

**Sundaram Infotech Solutions Limited  
(Transferor Company)**

**With**

**Sundaram Finance Limited  
(Transferee Company)**

Order delivered on: 26.09.2017

**Coram:**

Ch. Mohd Sharief Tariq, Member (J)  
S. Vijayaraghavan, Member (T)

For the Petitioners: Shri A.K. Mysamy, Advocate  
Shri A.G. Sathyanarayana, Advocate

**ORDER**

**Per: Ch. Mohd Sharief Tariq, Member (J)**

1. Under consideration are is a Company Petition no. CP/135/CAA/2017 filed under section 230 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The purpose of the Company Petition is to obtain sanction of the Scheme of Amalgamation (in short, 'Scheme') by virtue of which entire undertaking of Sundaram Infotech Solutions Limited (hereinafter referred to as 'Petitioner/Transferor Company') is proposed to be merged, amalgamated and vested with Sundaram Finance Limited (hereinafter referred to as 'Transferee Company') as a going concern.

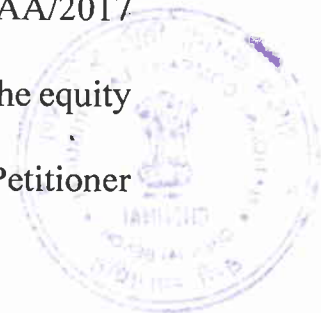


2. The details of Share Capitals, shareholders, Secured & Unsecured creditors of the Companies are as under:

Particular	Authorised Capital	Issued, S&P Capital	Share-holders	Secured Creditors	Unsecured Creditors
Transferor Company	Rs. 17,00,00,000	Rs. 16,40,00,000	7	Nil	1

3. Before proceeding with the matter, it is pertinent to mention herein that the Transferor/Petitioner Company is an Unlisted Public Company and the Transferee Company is a Listed Public Company. The Transferor Company is a wholly-owned subsidiary of the Transferee Company, therefore the entire issued, subscribed & paid-up capital of the Transferor/Petitioner Company are held by the Transferee Company. The Transferor Company is carrying on the business of Information Technology and Software Services whereas the Transferee Company is engaged in the business of providing finance and having its registered office at 21, Patullos Road, Chennai-600002. The Board of Directors of both the companies vide their resolutions dated 25.11.2016 have approved the said scheme of Amalgamation.

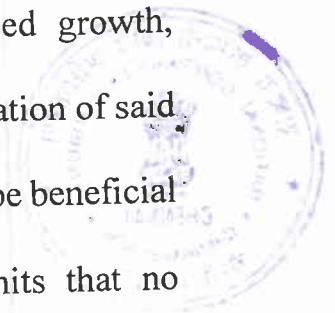
4. This Bench vide its order dated 27.04.2017, in TCA/60/CAA/2017 dispensed with the convening and holding of the meeting of the equity shareholders and unsecured creditors of the Transferor/Petitioner



Company. The Petitioner Company has no secured creditors. The petitioner company complied with all the orders passed by this Bench.

5. Shri A.K. Mysamy, the learned counsel appearing for the Petitioner Company submitted that the transferee company is a deposit accepting Non-Banking Finance Company (in short, 'NBFC') and not required to file the petition as it is well-established law that in the case of a wholly-owned subsidiary company amalgamating with its holding company, the holding company need not file a separate petition for seeking the sanction to the same scheme and it is sufficient if the wholly-owned subsidiary company alone files the petition. Also, the scheme does not involve any re-organisation or restructuring of the shares of the members of the transferee company and the scheme does not involve either a compromise or an arrangement. He also submitted that the objects clause of the transferee company permits it to carry on the business of the transferor company.

6. The learned counsel further submitted that the rationale and circumstances that have necessitated the proposed scheme are that the amalgamation will enable consolidation of the business of the two entities into one entity which will facilitate in focused growth, operational efficiency, resulting in more productive utilization of said resources and cost & operational efficiency which would be beneficial to all stakeholders. The learned counsel further submits that no



investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013.

7. Learned counsel for the petitioner company has further submitted that the equity shares of the transferee company are listed with the National Stock Exchange (NSE), thus the transferee company requires compliance of Listing Agreement & SEBI Rules/regulations.
8. The notices were issued to the statutory authorities viz. Official Liquidator, Regional Director, RoC, RBI and Income Tax Authority as per the procedure prescribed. However, there has been no objection to the proposed scheme under reference.
9. The NSE vide its Observation Letter dated 22.02.2017 conveyed its 'No-Objection' in terms of regulation 94 of SEBI (LODR) Regulations, 2015. However, the NSE has directed the transferee company to duly comply with various provisions as required under SEBI Circular.
10. With regard to the observations made by the NSE, the learned counsel submitted that the transferee company undertakes to comply with the relevant provisions as required under the SEBI Circulars.
11. The Regional Director, Southern Region (In short, 'RD') in the Report Affidavit (for brevity, 'Report') dated 10.08.2017 submitted that as per records of ROC, Chennai, the Transferor Company is regular in



filing its statutory returns and no investigation is pending against the company. It is further submitted that the subject scheme provides for the protection of the interest of the employees of the Transferor Company. The RD submitted that the clause 3.1 of the scheme proposes to merge the authorised capital of the transferor company with that of the transferee company, therefore, the transferee company may be directed to file the amended MoA and AoA with the RoC, Chennai for records. The RD has decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits.

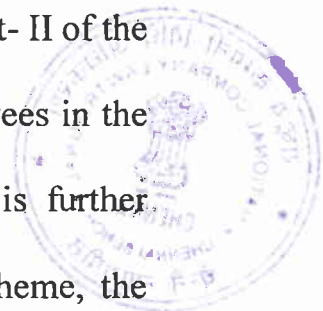
12. However, in Para 9 of the RD Report, it is submitted that post-amalgamation, the transferee company is taking over the business of the transferor company and the transferee company being a registered NBFC, is not allowed to do any other business & how this business can be combined with the NBFC business may be clarified by the transferee company.

13. With regard to above observation made in para 8 of the report of the RD, learned counsel for the petitioner company submitted that the transferee company undertakes to file the amended MoA and AoA with the RoC, Chennai. In relation to the objection made in para 9 of the report of RD, the learned counsel for the petitioner company submitted that the Transferee Company is a NBFC and the Clause



10.B (iv) & (v) of the objects clause of the transferee company permits it to carry on the business of Information Technology and software development. He further submitted that there is no statutory prohibition for a NBFC carrying on a business other than its NBFC business and Section 451(f) of the Reserve Bank of India Act, 1934 does not prohibit a NBFC from carrying on any other business. The Company has also produced an affidavit in relation to the above observation made by the RD.

14. The Official Liquidator (In short, 'OL') in its report dated 28<sup>th</sup> August, 2017 submitted that M/s. N.R.G. Associates, Chartered Accountants (Auditor) appointed by this Bench vide its order dated 27.04.2017 in TCA/60/CAA/2017, have scrutinized the books and accounts of the Transferor Company. The said Auditor has broadly reviewed and observed that the Transferor Company has maintained and written up all the statutory books in accordance with normally accepted accounting principles and fulfilled the requirements of the Companies Act, 2013 and also the affairs of the company have not been conducted in a manner prejudicial to the interest of its members, creditors or the public. The OL further submits that under Clause 8.1 of Part- II of the proposed scheme, the interest of all the permanent employees in the service of the Transferor Company are safeguarded. It is further submitted that as per clause 4 of part- II of the said scheme, the



Transferor Company is a wholly-owned subsidiary of the transferee company and the entire issued, subscribed & paid-up capital of the Transferor Company are held by the Transferee Company and its nominees, therefore the entire issued, subscribed & paid-up capital of the Transferor Company will stand cancelled and there will be no issue and allotment of any shares by the Transferee Company to the shareholders of the Transferor Company. The OL did not make any significant observation and submitted that the petition may be decided appropriately.

15. The Competition Commission of India (in short, 'CCI') vide its letter dated 22.05.2017 submitted that before passing an appropriate order, the NCLT may seek an undertaking from the companies involved in the merger/amalgamation that CCI approval is not required for the said scheme.

16. With regard to the observation made by the CCI, the petitioner company has furnished an affidavit wherein it has been stated that the proposed amalgamation does not require the CCI approval under the provisions of the Competition Act, 2002

17. Further perusal of the scheme shows that the accounting treatment is in conformity with the established accounting standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of



Amalgamation will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. The Appointed date of the said Scheme is 1<sup>st</sup> April, 2016.

18. There is no additional requirement for any modification and the said Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under section 230 to 232 of the Companies Act, 2013. Taking into consideration the above facts, the Company Petition is allowed and the scheme of Amalgamation annexed with the petition is hereby sanctioned which shall be binding on the members, creditors and shareholders.

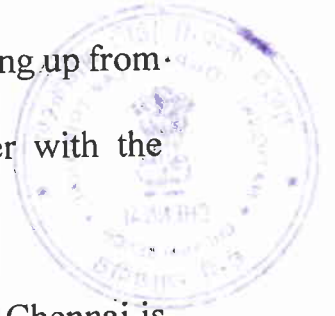
19. While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

20. The Transferee Company is directed to file the amended MoA and AoA with the RoC, Chennai for records.






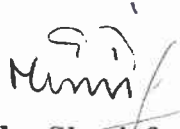
21. Affidavit signed and filed by the K. Rajagopal, Company Secretary of the transferor company in relation to the objection made in Para 8 and 9 of the report of RD shall form part of the scheme.
22. The Companies to the said Scheme or other person interested, shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.
23. The Petitioner Company shall file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.
24. The Transferor Company shall be dissolved without winding up from the date of the filing of the certified copy of this order with the Registrar of Companies, Chennai.
25. Upon receiving the certified copy of this order, the RoC, Chennai is directed to place all documents relating to the Transferor Company with that of the Transferee Company and the files relating to the Transferor Company shall be consolidated with the files and records of the Transferee Company.
26. The Order of sanction to this Scheme shall be prepared by the Registry as per the format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14<sup>th</sup> December, 2016.



27. Accordingly, the Scheme stands sanctioned and CP/135/CAA/2017

stands disposed of.

  
(S. Vijayaraghavan)  
Member (T)

  
(Ch. Mohd. Sharief Tariq)  
Member (J)

RLS



**Certified to be True Copy.**

  
N. SRIRAMASUBRAMANIAN  
ASSISTANT REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR  
29, RAJAJI SALAI, CHENNAI-600001.

**FORM No. CAA.7**

[Pursuant to section 232 and rule 20]

**National Company Law Tribunal, Division Bench, Chennai**

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

**And**

**In the matter of Scheme of Amalgamation of**

**Sundaram Infotech Solutions Limited**

**With**

**Sundaram Finance Limited**

**Order on petition**

The above named Petitioner/Transferor Company filed the Company Petition nos. CP/135/CAA/2017 before this Bench under section 230 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016. All the statutory requirements under law have been fulfilled. The Petitioner Companies complied with all the directions given by this Bench. The Petition came up for hearing before this Tribunal on 12.09.2017.

For the purpose of considering and approving without modification, the Scheme of Amalgamation by virtue of which M/s Sundaram Infotech Solutions Limited, shall be amalgamated, transferred and vested in Sundaram Finance Limited in terms of the said scheme of amalgamation,

Upon perusal and hearing Shri A.K. Mylsamy and Shri A.G. Sathyanarayana, the learned counsel for the Petitioner Company on 12.09.2017,

**THIS TRIBUNAL DO ORDER**

- 1) That the Scheme of Amalgamation as annexed with the Petition alongwith Schedules is hereby sanctioned.
- 2) That this order of the Scheme of Amalgamation shall be binding on the shareholders and the Secured & Unsecured Creditors of the Transferor Company and the Transferee Company; and
- 3) That the Appointed Date of the said Scheme is 1<sup>st</sup> April, 2016; and
- 4) That Transferor Company is directed to deposit Rs.50,000/- within 15 days of receipt of this Order to the OL for making payment to the Auditor, who has investigated into the affairs of Transferor Company; and
- 5) The Transferee Company is directed to file the amended MoA and AoA with the RoC, Chennai for records; and
- 6) That Affidavit signed and filed by the K. Rajagopal, Company Secretary of the transferor company in relation to the objection made in Para 8 and 9 of the report of RD shall form part of the scheme; and
- 7) The Petitioner Companies do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order; and
- 8) This Tribunal do further order that the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Tribunal for any directions that may be necessary with regard to the working of the said Scheme.

**SCHEDULE**

The Scheme of Amalgamation as sanctioned by the Tribunal contains the details of the properties, stocks, shares, debentures and other charges in action of the transferor company.

Dated this 27<sup>th</sup> day of September, 2017, NCLT, DB, Chennai.

  
**Registrar/Dy. Registrar**

**N. SRIRAMASUBRAMANIAN**  
ASSISTANT REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR  
29, RAJAJI SALAI, CHENNAI-600001.