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

**CA(CAA)No. 45/BB/2019**

Under Section 230 to 232 of Companies Act, 2013  
R/w Companies (Compromise, Arrangement and Amalgamation) Rules, 2016

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

**STAR METALLICS AND POWER PRIVATE LIMITED  
(Transferor Company)**

**AND**

**SANDUR MANGANESE AND IRON ORES LIMITED  
(Transferee Company)**

**AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Order delivered on: 09<sup>th</sup> August, 2019**

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

**THE SANDUR MANGANESE AND IRON ORES LIMITED,**  
'Satyalaya', Door No. 266 (Old No. 80),  
Ward No.1, Behind Taluk Office,  
Sandur,  
Bellary – 583 119.

**....Applicant Company No.1/Transferee Company**

**STAR METALLICS AND POWER PRIVATE LIMITED,**  
Metal & Ferro Alloys Plant,  
P.O Mariyammanahalli,  
Vyasankere – 583 222.

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

For the Petitioner (s): Mr. Saji P. John  
M/s. SPJ Legal, Advocates



Per: Hon'ble Dr. Ashok Kumar Mishra, Member (Judicial)

### ORDER

1. This Application is filed jointly on behalf of the Applicant Company No.1/Transferee Company and Applicant Company No.2/Transferor Company under Section 230 to 232 of Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, praying inter alia for direction to hold a meeting of the Equity Shareholders of Applicant Company No.1/Transferee Company, dispensation of meeting of the Equity Shareholders of Applicant Company No.2/Transferor Company and direction to hold a meeting of the Secured Creditors of Applicant Company No.1/Transferee Company and direction to hold a meeting of the Unsecured Creditors of Applicant Company No.1/Transferee Company and Applicant Company No.2/Transferor Company for the purpose of considering the proposed Scheme of Amalgamation.
2. The averments made in the Company Application are briefly described hereunder:-
  - a. The Applicant Companies seek an order for direction to hold a meeting of the Equity Shareholders of Applicant Company No.1/Transferee Company, dispensation of meeting of the Equity Shareholders of Applicant Company No.2/Transferor Company and direction to hold a meeting of the Secured Creditors of Applicant Company No.1/Transferee Company and direction to hold a meeting of the Unsecured Creditors of Applicant Company No.1/Transferee Company and Applicant Company No.2/Transferor Company for the purpose of considering the proposed Scheme of Amalgamation.
  - b. The Application has been filed jointly on behalf of the Applicant Company No.1/Transferee Company stating that the Transferee Company was incorporated on 18<sup>th</sup> January 1954 under the name and style of "*The Sandur Manganese and Iron Ores (Private) Limited*". Thereafter it was changed to the present name "*The Sandur Manganese and Iron Ores Limited*" with effect from 28<sup>th</sup> November 1964. It bears CIN L85110KA1954PLC000759. The registered address of the Transferee Company is situated at 'Satyalaya' Door No. 266 (Old No.80), Ward No.1, Behind Taluk Office, Sandur, Bellary - 583 119.
  - c. The main objects of the Transferee Company inter alia are "carry on all kinds of explorations, prospecting and mining business and operations in any part of India



and Particular to prospect, search for, examine and explore mines and ground supposed to contain minerals or oil or precious stones of any kind whatsoever, and to search for and obtain information in regard to wells, mines, mining claims, mining districts and localities.”, etc.

- d. The latest authorised share capital of the Transferee Company is as on 31<sup>st</sup> March, 2019 as follows:

<b>Authorised capital</b>	<b>Amount (Rupees)</b>
1,40,00,000 equity shares of Rs. 10/- each	14,00,00,000/-
1,00,000 16% Preference Shares of Rs. 100/- each	1,00,00,000/-
<b>Total</b>	<b>15,00,00,000</b>
<b>Issued subscribed and paid up capital</b>	<b>Amount (Rupees)</b>
87,50,000 equity shares of Rs. 10/- each full paid-up	8,75,00,000
<b>Total</b>	<b>8,75,00,000</b>

- It is further stated that the Board of Directors of the Transferee Company at their meeting held on 14<sup>th</sup> February, 2018 for approval of Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 have approved and adopted the Scheme of Amalgamation of the Transferor Company with the Transferee Company and their respective shareholders.
- It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.1/Transferee Company has certified that there are **9,563 (Nine Thousand Five Hundred and Sixty Three)** Equity Shareholders as on 31<sup>st</sup> May 2019 of the Transferor Company.
- It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.1/Transferee Company has certified that there are **03 (Three)** Secured Creditors as on 31.03.2019.
- It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.1/Transferee Company has certified that there are **474 (Four Hundred and Seventy Four)**



Unsecured Creditors of the Applicant Company No.1/Transferee Company as on 31<sup>st</sup> March 2019.

7. The Application has been filed jointly on behalf of the Applicant Company No.2/Transferor Company stating that the Transferor Company was incorporated on 23<sup>rd</sup> July 2007 under the Companies Act, 1956 under the name and style of "Star Metallics and Power Private Limited". It bears CIN U40102KA2007PTC043446. The registered address of the Transferor Company is situated at Metal and Ferro Alloys Plant P.O. Mariyammanahalli, Vyasankere – 583 222.
8. The main objects of the Transferee Company inter alia are "to carry on in India or elsewhere the business of setting up and/or operating power plants to generate electricity using coal, naphta, furnace oil, diesel, natural gas, wind power, bagasse, or any other fuel and/or renewable energy sources including hydro-electric power plants for captive consumption and /or for sale to other consumers in the private and public sectors including State Electricity Boards."
9. The authorised share capital of the Transferor Company is as on 31<sup>st</sup> March 2019, as follows:

<b>Authorised capital</b>	<b>Amount (Rupees)</b>
10,00,00,000 equity shares of Rs. 10/- each	1,00,00,00,000
<b>Issued subscribed and paid up capital</b>	<b>Amount (Rupees)</b>
9,33,79,705 equity shares of Rs. 10/- each fully paid up	93,37,97,050

10. It is further stated that the Board of Directors of the Transferor Company at their meeting held on 14<sup>th</sup> February 2018 for approval of Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 have approved and adopted the Scheme of Amalgamation of the Transferor Company with the Transferee Company and their respective shareholders.
11. It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.2/ Transferor Company has certified that there are 5 (five) Equity Shareholders as on 30.03.2019 of the Transferee Company.



12. We have seen the Consent Affidavits filed by four shareholders holding more than 90% shares of the Applicant Company No.2/Transferor Company, viz., a) Mr. N.S. Lakshmanan holding 10,000 equity shares of the Applicant Company No.2/Transferor; b) Mr. Mohammed Shafiulla holding 10,000 equity shares of the Applicant Company No.2/Transferor Company; c) M/s. The Sandur Manganese & Iron Ores Limited holding 7,52,40,000 equity shares of the Applicant Company No.2/Transferor Company accompanied with a Board Resolution authorising the representative Mr. Rajnish Singh to give consent in writing on their behalf; and d) M/s. Euro Industrial Enterprises Private Limited holding 1,81,09,705 equity shares of the the Applicant Company No.2/Transferor Company accompanied with a Board Resolution authorising the representative Mr. S.A Bari to give consent in writing on their behalf.
13. It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.2/Transferor Company has certified that there are no Secured Creditors as on 31.03.2019.
14. It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company No.2/Transferor Company has certified that there are 12 (Twelve) Unsecured Creditors of the Applicant Company No.2/Transferor Company as on 31.03.2019.
15. It is submitted that no investigation proceedings are pending against the Applicant Companies under Section 235 to 251 or any other provisions of the Companies Act, 1956 or Sections 206 to 229 of the Companies Act, 2013. Further, there are no other investigations pending against the Applicant Companies under any other law.
16. The Applicant Companies seek an order for direction to hold a meeting of the Equity Shareholders of Applicant Company No.1/Transferee Company, dispensation of meeting of the Equity Shareholders of Applicant Company No.2/Transferor Company and direction to hold a meeting of the Secured Creditors of Applicant Company No.1/Transferee Company and direction to hold a meeting of the Unsecured Creditors of Applicant Company No.1/Transferee Company and Applicant Company No.2/Transferor Company for the purpose of considering the proposed Scheme of Amalgamation.



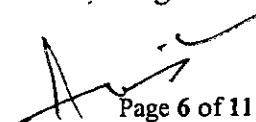
17. In course of the hearing, the counsel for the Applicant Companies mentioned that there are no investigation proceedings pending against the Applicant Companies under the Companies Act, 1956, the Companies Act, 2013 or any other law.

18. We have heard the Counsel appearing for the Applicant Companies and after perusing the documents filed, the Application is allowed and we pass the following order:

(1) The meeting of the Equity Shareholders of the Applicant Company No.1/Transferee Company be convened and held at the "Golden Jubilee Hall Sandur, Residential School, Shivapur, Palace Road, Sandur – 583 119 on 23<sup>rd</sup> September 2019 at 10.00 AM for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. J.R. Mehta, Ex-Executive Director of a PSU, having address at 5C-418, OMBR Layout, Banaswadi, Bangalore – 560043, is appointed as Chairperson. Mr. V Jayagopal, PCS, having address Flat No. 9, 2<sup>nd</sup> Floor, JMJ Apartments, No. 275, 100 Feet Road, Indiranagar, HAL 2<sup>nd</sup> Stage, Adjacent to Udipi Park Restaurant, Bangalore - 560038, is appointed as Scrutinizer for the meeting of the Equity Shareholders of the Applicant Company No.1/Transferee Company. The remuneration for Chairman shall be Rs. 35,000/- and for Scrutiniser shall be Rs. 20,000/-. The Coram for the meeting of the Equity Shareholders of the Applicant Company No.1/Transferee Company is 35 (Thirty Five), either in person or through representative. The Notice of the meeting of the Equity Shareholders of the Applicant Company No.1/Transferee Company shall be published in an English Daily "Financial Express" and in Kannada Daily "Sanjevaani".

(2) The meeting of the Secured Creditors of the Applicant Company No.1/Transferee Company be convened and held at Golden Jubilee Hall Sandur, Residential School, Shivapur, Palace Road, Sandur – 583 119 on 23<sup>rd</sup> September 2019 at 12.00 PM for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. J.R. Mehta, Ex-Executive Director of a PSU, having address at 5C-418, OMBR Layout, Banaswadi, Bangalore – 560043, is appointed as Chairperson. Mr. V Jayagopal, PCS, having address Flat No. 9, 2<sup>nd</sup> Floor, JMJ Apartments, No. 275, 100 Feet Road, Indiranagar, HAL 2<sup>nd</sup> Stage, Adjacent to Udipi Park Restaurant, Bangalore -



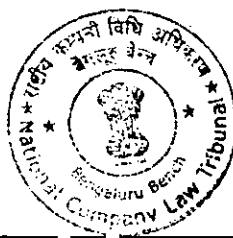
  
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560038, is appointed as Scrutinizer for the meeting of the Secured Creditors of the Applicant Company No.1/Transferee Company. The remuneration for Chairman shall be Rs. 35,000/- and for Scrutiniser shall be Rs. 25,000/-. The Coram for the meeting of the secured Creditors of the Applicant Company No.1/Transferee Company is **02 (Two)**, either in person or through representative. The Notice of the meeting of the Secured Creditors of the Applicant Company No.1/Transferee Company shall be published in an English Daily "Financial Express" and in Kannada Daily "Sanjevaani".

- (3) The meeting of the Unsecured Creditors of the Applicant Company No.1/Transferee Company be convened and held at Golden Jubilee Hall Sandur, Residential School, Shivapur, Palace Road, Sandur – 583 119 on **23<sup>rd</sup> September 2019 at 01.00 PM** for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. J.R. Mehta, Ex-Executive Director of a PSU, having address at 5C-418, OMBR Layout, Banaswadi, Bangalore – 560043, is appointed as Chairperson. Mr. Chiraag Rai N, PCA, having address at #930, 22<sup>nd</sup> Main, 4<sup>th</sup> T Block, Jayanagar, Bengaluru - 560041, is appointed as Scrutinizer for the meeting of the Unsecured Creditors of the Applicant Company No.1/Transferee Company. The remuneration for Chairman shall be Rs. 35,000/- and for Scrutiniser shall be Rs. 20,000/-. The Coram for the meeting of the Unsecured Creditors of the Applicant Company No.1/Transferee Company is **35 (Thirty Five)**, either in person or through representative. The Notice of the meeting of the Unsecured Creditors of the Applicant Company No.1/Transferee Company shall be published in an English Daily "Financial Express" and in Kannada Daily "Sanjevaani".

- (4) The meeting of the Equity Shareholders of the Applicant Company No.2/Transferor Company is hereby dispensed with.

- (5) The meeting of the Unsecured Creditors of the Applicant Company No.2/Transferor Company be convened and held at at Golden Jubilee Hall Sandur, Residential School, Shivapur, Palace Road, Sandur – 583 119 on **23<sup>rd</sup> September 2019 at 02.00 PM** for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Amalgamation. Mr. J.R. Mehta, Ex-Executive Director of a PSU, having address at 5C-418, OMBR Layout,



*[Handwritten signature]*  
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Banaswadi, Bangalore – 560043, is appointed as Chairperson. Mr. Chiraag Rai N, PCA, having address at #930, 22<sup>nd</sup> Main, 4<sup>th</sup> T Block, Jayanagar, Bengaluru - 560041, is appointed as Scrutinizer for the meeting of the Unsecured Creditors of the Applicant Company No.2/Transferor Company. The remuneration for Chairman shall be Rs. 35,000/- and for Scrutiniser shall be Rs. 20,000/-. The Coram for the meeting of the Unsecured Creditors of the Applicant Company No.2/Transferor Company is 4 (four), either in person or through representative. The Notice of the meeting of the Unsecured Creditors of the Applicant Company No.2/Transferor Company shall be published in an English Daily "Financial Express" and in Kannada Daily "Sanjevaani".

- (6) The Applicant Companies are directed to issue within 7 (Seven) days of the receipt of this Order, a copy of this Order to the Chairperson(s) and Scrutinizer(s) mentioned hereinabove.
- (7) The Applicant Companies or their authorized signatories are directed to issue notice(s) to their Shareholders and Secured/Unsecured Creditors by Registered or Speed Post; or Courier; or Air Mail; or email; or hand delivery to their last known address at least 30 clear days before the said meetings of the Shareholders and Secured/Unsecured Creditors of the Applicant Companies as per Form No.CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuing convening the said Meetings of the Applicant Companies at the place, day, date and time, along with a copy of Scheme of Amalgamation, a copy of Explanatory Statement, pursuant to Section 230 of the Companies Act, 2013 and form of Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014.
- (8) The Applicant Companies are directed that at least one month before the Meeting of the Shareholders and Secured/Unsecured Creditors of the Applicant Companies to be held as aforesaid, to issue a notice convening the said meeting, at the place, date and time aforesaid and stating that copies of the Scheme of Amalgamation and the statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and that the form of proxy can be obtained free of charge at the Registered Office of the Applicant Companies as aforesaid.



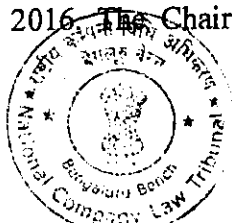


- (9) The Applicant Companies are to serve the notice upon the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (10) The Applicant Companies are to serve the notice upon the Registrar of Companies, Karnataka pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (11) The Applicant Companies are to serve the notice of the proposed Scheme the Income Tax Authority, Principal Commissioner of Income Tax, Karnataka & Goa, C.R. Building, No. 1 Queens Road, Bengaluru-560001 along with PAN number, within whose jurisdiction that Applicant Company's Assessment are made, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The notices to Income Tax Authorities shall disclose sufficient details like PAN Card numbers, ward numbers and assessing officers so that proper reply may be filed.
- (12) The Applicant Companies are to serve the notice upon the other Sectoral Regulators or Authorities if applicable, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from other Sectoral Regulators or Authorities within 30 days of the date of receipt of the notice it will be presumed that the other Sectoral Regulators or Authorities has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.
- (13) The Applicant Company No.2 is to serve the notice of the proposed Scheme upon the Official Liquidator, Hon'ble High Court of Karnataka, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (14) The Applicant Companies are to serve the notice of the proposed Scheme upon the Secretary, Competition Commission of India, 9<sup>th</sup> Floor, Office Block-1, Kidwai Nagar (East), New Delhi-110023 pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from



Official Liquidator, Karnataka within 30 days of the date of receipt of the notice it will be presumed that Official Liquidator, Karnataka has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

- (15) The Applicant Companies are to serve the notice of the proposed Scheme upon the Reserve Bank of India, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
- (16) The Applicant Companies are to serve the notice of the proposed Scheme upon the Joint Director, Directorate of Enforcement, FEMA and Prevention of Money laundering, Government of India, No. 9/1, State Bank of India Road, Behind India Garage, Bangalore – 560001 and Directorate of Enforcement, 3<sup>rd</sup> Floor, B Block BMTC, TTMC Building, Shanthinagar, KH Road, Bangalore - 560027 pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
- (17) The Chairman shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise before or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
- (18) The voting shall be in person or by proxy or authorised representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant Companies at its Registered offices, not later than, forty eight hours before the aforesaid meeting in accordance with Rule 10 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.
- (19) The said Chairman is to file affidavit not less than seven days before the day fixed for holding of the meeting and do report to this Tribunal that the direction regarding convening and issuance of notice(s) to all the necessary parties have been duly complied with in conformity with the relevant Provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016. The Chairman shall report the conclusion of the



aforesaid meeting as per the Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

(20) The dispensation of meetings directed by this Tribunal shall not in any way affect the right of the Tribunal to exercise jurisdiction to consider the Scheme of Amalgamation at the second stage.

(21) In any eventuality when the Applicant Companies approach this Tribunal for seeking approval of the scheme it would be open for any person who is interested in the Scheme of Amalgamation to put forth their contentions before this Tribunal.

  
(ASHOK KUMAR MISHRA)

MEMBER, TECHNICAL

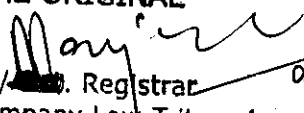
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(RAJESWARA RAO VITTANALA)

MEMBER, JUDICIAL

CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

  
Deputy Registrar  
National Company Law Tribunal  
Bengaluru Bench

