

IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH NEW DELHI
COMPANY APPLICATION NO. (CAA) – 10 (PB)/2026

*(Under Section 230-232 of the Companies Act, 2013 r/w the Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016)*

IN THE MATTER OF SCHEME OF AMALGAMATION:

**EMERSON PROCESS MANAGEMENT POWER AND WATER SOLUTIONS
INDIA PRIVATE LIMITED**

**...APPLICANT/TRANSFEROR COMPANY
AND**

EMERSON ELECTRIC COMPANY (INDIA) PRIVATE LIMITED

**... NON-APPLICANT /TRANSFeree COMPANY
AND**

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order reserved on: 14.05.2026

Order Pronounced on: 21.05.2026

CORAM:

JUSTICE ANUPINDER SINGH GREWAL

HON'BLE PRESIDENT

SHRI RAVINDRA CHATURVEDI

HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant: Mr. Rajeev Kumar, Advocate along with Ms. Anukansha
Singh, Advocate.

ORDER

1. This is a first motion application filed by **Emerson Process Management Power and Water Solutions India Private Limited** (Transferor Company/Applicant Company) under Sections 230 and 232 of the Companies Act, 2013 read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 seeking approval of this Tribunal for the Scheme of Amalgamation (**Scheme**) in respect of the amalgamation of Emerson Process Management Electric Power and Water Solutions India Private Limited with Emerson Electric Company (India) Private Limited. The prayers made in the application are as follows:

- a. Appropriate order dispensing with requirement for convening the meeting of the Equity Shareholders of the Transferor company and also to dispense with the requirement of issue and publication of notices for the same;*
- b. Appropriate order dispensing with requirement for convening the meeting of the Secured Creditors of the Transferor company since there are no Secured Creditors. Hence, the question of convening and holding a meeting of the Secured Creditors does not arise;*
- c. Appropriate order dispensing with requirement for convening the meeting of the Unsecured Creditors of the Transferor Company and also to dispense with the requirement of issue and publication of notices for the same;*
- d. Appropriate order directing the Applicant Company to send notice under Section 230(5) of the Companies Act, 2013 to Central Government through Regional Director, Northern Region, Registrar of Companies, New Delhi, Income Tax Authorities, GST, Official liquidator or any other regulatory authorities;*
- e. Passing such other and further orders as are deemed necessary in the facts and circumstances of the case.*

2. The Applicant/Transferor Company, Emerson Process Management Power and Water Solutions India Private Limited, bearing CIN: U40109DL1997FTC085582, was originally incorporated on 05.03.1997 under the provisions of the Companies Act, 1956, as a private limited company in the name of 'Westinghouse Electric Private Limited' with the Registrar of Companies, NCT of Delhi & Haryana at Delhi. Thereafter, the name of the Transferor Company was changed to Emerson Process Management Power and Water Solutions India Private Limited with effect from 06.12.2004. The registered office of the Transferor Company is situated at 204-206, Tolstoy House, 15, Tolstoy Marg, New Delhi, Delhi, India 110001. The Transferor Company is a wholly owned subsidiary of the Non-Applicant/Transferee Company. Its main objects are to carry on the business of generation, transmission, distribution, supply, and trading of electricity and other forms of energy in India and abroad; to establish, operate, and manage cold storages, warehouses, refrigeration and freezing facilities for preserving and commercializing food products, agricultural produce, marine products, medicines, chemicals, and other commodities; to undertake trading activities as buyers, sellers, importers, exporters, distributors, financiers, and stockists of various goods and commodities; and to provide technical know-how, consultancy, training, software development, engineering, communication, system integration, and project management services in the fields of electronics, electrical, telecommunication, mechanical, chemical, and civil engineering.

The Authorized Share Capital of the Transferor Company is Rs. 2,00,00,000/- (Rupees Twenty Crore Only) divided into 20,00,000 (Two Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. The present Issued, Subscribed and Paid-up Share Capital of the Transferor Company is Rs. 1,12,59,800 /- (Rupees One Crore Twelve Lakh Fifty-Nine Thousand Eight Hundred Only) divided into 11,25,980 (Eleven Lakh Twenty-Five Thousand Nine Hundred Eighty) Equity Shares of Rs. 10/- (Rupees Ten) each.

3. The Non-Applicant/Transferee Company, Emerson Electric Company (India) Private Limited, bearing CIN: U29190MH1995PTC087858, was incorporated under the provisions of the Companies Act, 1956, as a private limited company in the name of “Emerson Electric Company (India) Private Limited” on 28.04.1995 with the Registrar of Companies, Mumbai, Maharashtra. The registered address of the Non-Applicant/Transferee Company is situated at Delphi B Wing, 601-603, Orchard Avenue, Hiranandani Business Park, Powai, Mumbai City, Mumbai, Maharashtra, India, 400076. Its main objects are to carry on the business of designing, engineering, manufacturing, assembling, developing, installing, maintaining, repairing, importing, exporting, leasing, and trading electrical engineering products and equipment. This includes motors, drives, factory automation products, valves, bearings, testing and material handling equipment, power and hand tools, analytical and control systems, HVAC components, power conversion equipment, ultrasonic instruments, precision cleaning and plastic joining equipment, and machinery used for the generation, transmission, reception, and processing of sound, light, electrical, and electromagnetic impulses, along with related components, systems, and industrial materials.

The Authorized Share Capital of the Non-Applicant/Transferee Company is Rs. 7,50,00,000/- (Rupees Seven Crore Fifty Lakh Only) divided into 75,00,000 (Seventy-Five Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 5,90,59,750/- (Rupees Five Crore Ninety Lakh Fifty-Nine Thousand Seven Hundred and Fifty Only) divided into 59,05,975 (Fifty-Nine Lakh Five Thousand Nine Hundred Seventy-Five) Equity Shares of Rs. 10/- (Rupees Ten) each.

4. The Non-Applicant/Transferee Company has its registered office in the State of Maharashtra and is therefore under the jurisdiction of the National Company Law Tribunal, Mumbai Bench. Accordingly, the said Transferee Company has filed an application before the Hon'ble NCLT, Mumbai Bench, bearing **Company Application No. 45 (MB) of 2026** seeking appropriate directions for the dispensation of the meetings of the shareholders and creditors of Non-Applicant Company.
5. Accordingly, the Hon'ble NCLT, Mumbai Bench, upon consideration of the application, affidavits, annexures, and the material placed on record, was pleased to dispense with the meetings of the Shareholders and Creditors of the Non-Applicant Company. The relevant extract of the order passed by the Hon'ble NCLT, Mumbai Bench, is reproduced hereunder:

10.1 The Ld. PCA for the Applicant Company submitted that there are Two (2) equity shareholders (including One (1) nominee shareholder) in the Applicant Company. The Ld. PCA further submitted that the Applicant Company has obtained consent affidavits from both the equity shareholders. The Statutory Auditor's Certificate on the number of Equity Shareholders of the Applicant Company and the consent affidavits of the shareholders of the Applicant Company are part of the Scheme Application.

10.2 In view of the fact that 100% Equity Shareholders of the Applicant Company have given their consent affidavits, the meeting of the Equity Shareholders of the Applicant Company is hereby dispensed with.

10.3 The Ld. PCA for the Applicant Company further submitted that there are no Secured Creditors in the Applicant Company as on 31.12.2025. Certificate of the Chartered Accountant certifying Nil/Secured Creditors of the Applicant Company is part of the Application.

10.4 In view of the fact that there are no Secured Creditors in the Applicant Company, no meeting of the Secured Creditors of the Applicant Company is to be convened.

10.5 The Ld. PCA for the Applicant Company further submitted that there are 258 (Two Fifty Eight) Unsecured Creditors having value of Rs.70,46,00,511/- (Seventy Crore Forty-Six Lakh and Five hundred Eleven Rupees) in the Applicant Company as on 31.12.2025. The certificate of a Chartered Accountant certifying the list of Unsecured Creditors of the Applicant Company is part of the Scheme Application

10.6 The Applicant Company seeks dispensation of the meeting of Unsecured Creditors on the ground that the Scheme does not involve any arrangement between the Applicant Company and its unsecured creditors, since the Transferor Company is a wholly owned subsidiary. Further, no new shares will be issued, resulting in no change in control or management and no adverse impact on the rights of shareholders or creditors. Further, basis the provisional financial statements of the Transferor Company and the Transferee Company as on 31.12.2025, the post-merger net-worth of the Transferee Company would be positive of Rs.1,398.16 Crore (One Thousand Three Hundred Ninety-Eight Crore and Sixteen Lakh Rupees) as supported by the certificate issued by a Chartered Accountant. Hence, the proposed Scheme is in no way prejudicial to the interest of Unsecured Creditors of Applicant Company and Transferor Company. In support of the above submission, the Applicant Company has placed the reliance on following decisions:

- *Mahaamba Investments Ltd. with IDI Limited* [(2001) 105 Company Case 16 (Bombay)];
- *Patel Engineering Limited* [Company Appeal (AT) No. 137 of 2021] by Hon'ble NCLAT; and
- *DLF Limited & Others* [CA (AT) No. 180 of 2019] decided on 19th August 2019 by NCLAT read with [CA (CAA) 741/2019 with CA (CAA) No. 39/Chd/Hry/2018] decided on 21st November 2019.

10.7 In view of the above, the meeting of Unsecured Creditors of the Applicant Company is hereby dispensed with. However, the Applicant Company is directed to send notice to its Unsecured Creditors by Mail / Courier / Registered Post / Hand Delivery / Speed Post / by email (to those creditors whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices by email) at their last known address or their registered email address, as per the records available with the Applicant Companies. They may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal, with a copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that they have no representations to make on the Scheme.

6. The registered office of the Applicant/Transferor Company is situated in Delhi and, accordingly, falls within the territorial jurisdiction of this Bench. The Applicant company has furnished the following documents:
- a) Copy of Certificate of Incorporation, Certificate of Name of Change, Memorandum and Articles of Association of Applicant /Transferor Company (**Annexures A-2** of the main application);
 - b) Copy of the latest Audited Account of Applicant /Transferor Company as on 31.03.2025 and provisional Account as on 31.12.2025 (**Annexures A-3 and Annexure A-4** of the main application);
 - c) Copy of list of directors of Applicant /Transferor Company & Copy of Board Resolution dated 10.02.2026 approving the Scheme (**Annexures A-10 and Annexure A-5** of the main application);
 - d) Copy of List of Equity Shareholders of Applicant /Transferor Company, along with their consent letters (**Annexures A-6 and Annexure A-7**) of the main application);
 - e) Copy of the list of Secured Creditors (Nil) of Applicant/Transferor Company as on 31.12.2025, along with the certificate of Chartered Accountant certifying that there are no secured creditors; and copy of the list of Unsecured Creditors as on 31.12.2025, along with the certificate of Chartered Accountant

- certifying the status of unsecured creditors and amount outstanding in the books of accounts as on 31.12.2025 (**Annexures A-8 (Colly) & Annexure-9**) of the main application);
- f) Copy of the Certificate of the Chartered Accountant verifying the indicative pre-amalgamation and post amalgamation net worth of the Transferor Company and Transferee Company (**Annexure A-9A** of the main application)
- g) Copy of Certificate of Incorporation, Memorandum and Articles of Association, of the Non-Applicant / Transferee Company (**Annexure A-11** of the main application);
- h) Copy of the latest Audited Account of Non-Applicant / Transferee Company as on 31.03.2025 and Provisional Account as on 31.12.2025 (**Annexures A-12 and Annexure A-13** of the main application);
- i) Copy of Board Resolution dated 09.02.2026 approving the Scheme of the Non-Applicant /Transferee Company (**Annexures A-14** of the main application);
- j) Copy of the Scheme as approved (**Annexure A-1** of the main application)
- k) Certificate of the respective statutory Auditors of the Applicant and the Non-Applicant company certifying that the present Scheme is in conformity with the Accounting Standards, Generally Accepted Accounting Principles in India (Indian GAAP) and is in conformity with Section 133 of the Companies Act, 2013 (**Annexure A-15 (Colly) and Annexure A-16 (Colly)** of the main application);
- l) Affidavit on behalf of the Transferee Company under section 230(2) of the Companies Act, 2013 (**Annexure A-17 (Colly)**);

7. The Appointed Date of the Scheme is 01.04.2026, as mentioned in the scheme. The Effective Date, as mentioned in the scheme, is the last of the dates on which all the conditions referred to in clause 18 of the scheme have been fulfilled or otherwise duly waived.

8. The rationale and benefits for the proposed Scheme of Amalgamation, as stated by the Applicant Company, are as follows:

- The Transferee Company acquired 100% stake in the Transferor Company and have since become wholly owned subsidiary of the Transferee Company, as aforesaid. However, considering both the companies are in similar line of business, the businesses of the Transferor Company can be combined and carried on in conjunction with the business of the Transferee Company more conveniently and advantageously.
- In the circumstances, it is considered desirable and expedient to now amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- The other benefits and advantages of the amalgamation are, inter alia, as follows:-
 - The amalgamation will enable the Transferee Company to integrate the businesses of the Transferor Company with itself more completely for carrying on the same more effectively and beneficially and deriving the utmost value therefrom.
 - The combined businesses of the Transferor Company and the Transferee Company will be carried on more efficiently and economically pursuant to the amalgamation as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies, reduction in overheads, costs and expenses, economies of scale, elimination of duplication of work and rationalization and reduction of compliance requirements which will be facilitated by and follow the amalgamation.
 - The amalgamation will result in a more simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
 - This amalgamation would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of undertaking of the Transferor Company and the Transferee Company.
 - The Scheme is proposed to the advantage of the Transferor Company and the Transferee Company and will have beneficial results for the said companies, their shareholders, employees and all concerned.



- The merger seeks to leverage the strong balance sheet position and healthy net worth of the companies to enhance financial strength, optimise capital structure, and support long-term growth objectives.

9. It is further noted that the Board of Directors of the Applicant/Transferor Company and the Non-Applciant/Transferee Company, at their meetings held on 10.02.2026 and 09.02.2026, respectively, have approved the proposed Scheme. Copy of the Board Resolutions passed by the Applicant/Transferor Company and the Non-Applciant/Transferee Company are on record and are annexed to the main application as **Annexure No. A-5 and Annexure No. A-14**.
10. The proposed Scheme involves the Amalgamation of the Transferor Company with the Transferee Company, whereby the entire business of the Transferor Company is proposed to be amalgamated with the Transferee Company in the manner set out in the Scheme.
11. The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, the entire issued and paid-up Equity Share Capital of the Transferor Company is held by the Transferee Company and its nominee Shareholders. Since it is an amalgamation of Wholly Owned Subsidiary with their Holding Company, no new shares will be issued pursuant to the Scheme of Amalgamation. Hence, no Valuation of Shares or Share Exchange Ratio is required for the proposed Scheme of Amalgamation.
12. Both the Transferor Company and the Transferee Company possess a positive net worth. Further, the combined assets of the Transferor and Transferee Companies are sufficient to meet and discharge all their respective liabilities. The rights and interests of the equity shareholders and creditors of the Transferee Company shall not be adversely affected by the proposed Scheme of Amalgamation. The net worth of the Transferor Company and Transferee Company as extracted from the application is reproduced below:

(A) Net Worth of Applicant Company/Transferor Company

(Amount INR in crores)

Particulars	Pre-Scheme as on 31 December, 2025	Post Scheme
Assets		
(1) Non-Current Assets	52.125	Not applicable as the Company shall stand dissolved post amalgamation
(2) Current Assets	114.164	
TOTAL ASSETS (A=1+2)	166.289	
Liabilities		
(3) Non-Current Liabilities	20.423	Not applicable as the Company shall stand dissolved post amalgamation
(4) Current Liabilities	16.519	
TOTAL LIABILITIES (B=3+4+5)	36.942	

Net Assets [A-B]	129.347	Not applicable as the Company shall stand dissolved post amalgamation
Less: Components of 'Other Equity' not considered for the purpose of calculation of net worth <ul style="list-style-type: none"> - Deemed capital contribution from parent - Equity component of optionally convertible preference shares - Capital Reserve - Capital Redemption Reserve - Capital Reserve on Merger - Cash Flow Hedge Reserve - Fair Value Through OCI Reserve - General Reserve (created on previous amalgamations) 	0.430	
Net worth	128.917	

(B) Net Worth of Non-Applicant Company/Transferee Company

(Amount INR in crores)

Particulars	Pre-Scheme	Post Scheme (Provisional)
Assets		
(1) Non-Current Assets	1,220.86	1,069.28
(2) Current Assets	801.23	915.35
TOTAL ASSETS (A=1+2)	2,022.09	1,984.63
Liabilities		
(3) Non-Current Liabilities	381.31	401.73
(4) Current Liabilities	193.18	209.66
(5) Provisions and notional liabilities on account of Ind-AS Adjustments	-	-
TOTAL LIABILITIES (B=3+4+5)	574.49	611.39
Net Assets [A-B]	1,447.60	1,373.24
Less: Components of 'Other Equity' not considered for the purpose of calculation of net worth <ul style="list-style-type: none"> - Equity settled employees' benefits reserve - Remeasurements of defined benefit plans - Deemed capital contribution from parent 	15.25 (40.60) -	15.25 (40.60) 0.43
Net worth	1,472.95	1,398.16

13. The Applicant Company and the Non-Applicant Company have stated that the Accounting treatment as proposed in the draft scheme is in compliance with the applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and other generally accepted Accounting Principles. **(Annexures A-15 (Colly) and A-16 (Colly))**.

14. It has been submitted that the proposed Scheme of Amalgamation shall not, in any manner whatsoever, adversely affect the rights or interests of any of the members, creditors and other stakeholders. The proposed Scheme of Amalgamation is fair, reasonable, and in no way detrimental to the interests of the public at large.

15. The Applicant and the Non-Applicant Company have stated the following material facts relating to the Applicant Companies in terms of Section 230(2):

3. Under Section 230(2)(a), I hereby declare that there are no pending investigations or proceedings against the Transferor and Transferee Company. I further say that all material facts relating to the Transferor and Transferee Company such as the latest financial position of the company and the latest auditor's report on the accounts of the Transferor and Transferee Company is being made in the captioned application.

4. Under Section 230(2)(b), it is hereby declared that the proposed Scheme of Amalgamation between Emerson Process Management Power and Water Solutions India Private Limited and Emerson Electric Company (India) Private Limited ("Scheme") being filed herein does not include reduction of share capital of the Transferor and Transferee Company.

5. Under Section 230(2)(c) it is hereby declared that the Scheme being filed herein is not a corporate debt restructuring scheme and hence a creditor's responsibility statement and other requirements under Section 230(2)(c) are not applicable to the present case.

16. The details regarding the number and value of shareholders and creditors of the Applicant/Transferor Company, along with the status of their consent to the proposed Scheme, is tabulated for ease of reference:

Company	Particulars	Total No.	Consent
Transferor Company	Equity Shareholders	1	Consent affidavits are given by 100% Equity shareholders
	Nominee Shareholders	1	Consent affidavits are given by 100% Nominee shareholders
	Secured Creditors	NIL	N.A.
	Unsecured Creditors	52	Consent Not taken, directions are sought by way of this application

17. We have heard the learned counsel appearing for the Applicant/Transferor Company and have perused the material available on record.

18. It is considered appropriate to refer to the provisions of Section 230(9) of the Companies Act, 2013, which read as under:

“230. Power to compromise or make arrangements with creditors and members.

...

(9) The Tribunal may dispense with the calling of a meeting of creditors or a class of creditors, where such creditors or class of creditors, having at least ninety per cent in value, have agreed to and confirmed, by way of affidavit, the scheme of compromise or arrangement.”

19. Further, in the context of shareholders, reference may be made to the proviso to Section 230(4) of the Companies Act, 2013, which reads as under:

“(4)

Provided that any objection to the compromise or arrangement shall be made only by persons holding not less than ten per cent of the shareholding or having outstanding debt amounting to not less than five per cent of the total outstanding debt as per the latest audited financial statement.”

20. At this first motion stage, this Tribunal is required to consider whether, on a prima facie examination of the Scheme and the supporting materials, appropriate directions should be issued for convening or dispensing with meetings of the concerned classes of shareholders and creditors.
21. The Applicant/Transferor Company submitted that there are Two (2) equity shareholders (including one (1) nominee shareholder) in the Applicant/Transferor Company. The Applicant/Transferor Company further submitted that it had obtained consent affidavits from both the equity shareholders. The Statutory Auditor’s Certificate on the number of Equity Shareholders of the Applicant/Transferor Company and the No Objection Affidavit from 100% of the shareholders for the Transferor Company has been placed on record.
22. The Applicant/Transferor Company further submitted that there are no secured creditors in the Applicant/Transferor Company as on 31.12.2025. Certificate of the Chartered Accountant certifying *Nil* Secured Creditors of the Applicant/Transferor Company is part of the Scheme Application.
23. In view of the fact that there are no secured creditors in the Applicant Company, the requirement of convening the meeting of the secured creditors of the Applicant Company does not arise.

24. With respect to unsecured creditors of the Transferor Company no consent affidavits have been furnished; The Applicant Company seeks dispensation of the meeting of Unsecured Creditors on the ground that the Scheme does not involve any arrangement between the Applicant Company and its unsecured creditors, since the Applicant Company is a wholly owned subsidiary. Further, no new shares will be issued, resulting in no change in control or management and no adverse impact on the rights of shareholders or creditors. Further, on the basis the provisional financial statements of the Transferor Company and the Transferee Company as on 31.12.2025, the post-merger net-worth of the Transferee Company would remain positive at Rs.1,398.16 Crore (One Thousand Three Hundred Ninety-Eight Crore and Sixteen Lakh Rupees) as supported by the certificate issued by a Chartered Accountant. Hence, the proposed Scheme is in no way prejudicial to the interest of Unsecured Creditors of Applicant Company and Transferor Company. In support of the above submission, the Applicant Company has placed the reliance on following decisions:

- a. *Mahaamba Investments Ltd. with IDI Limited [(2001) 105 Company Case 16 (Bombay)];*
- b. *Patel Engineering Limited [Company Appeal (AT) No. 137 of 2021] by the Hon'ble NCLAT;*
- c. *DLF Limited & Others [CA (AT) No. 180 of 2019] decided on 19th August 2019 by NCLAT read with [CA (CAA) 741/2019 with CA (CAA) No. 39/Chd/Hry/2018] decided on 21st November 2019;*
- d. *Ambuja Cements Limited, Company Appeal(AT) No. 19 of 2021, Order dated 06.04.2021 passed by the Hon'ble NCLAT.*

25. We have considered the above submissions and have perused the judgment cited by the Applicants.

26. Hon'ble NCLAT in the matter of Ambuja Cements Limited (Company Appeal (AT) No. 19 of 2021 decided on 06.04.2021 wherein Hon'ble NCLAT has observed as under:

*“29. From the perusal of the pleadings it is amply clear that the Appellant Company is a 100% holding of its Subsidiary i.e. the transferor Company. Therefore, there is no issuance of any new shares, there is no re-organisation of share capital of the Appellant Company and no arrangement wherein shareholders have to compromise with creditors of the Transferor Company. **Further, we have also seen that the net worth of the Appellant Company is highly positive in compare to the net worth of the Transferor Company.**”*

27. Hon'ble NCLAT in the matter of Patel Hydro Power Private Limited & Ors. COMPANY APPEAL (AT) No. 137of 2021 in their judgment dated 22.12.2021 after referring above judgment in Ambuja Cement has observed as under:

“10. It is seen that Section 232(1) of the Companies Act, 2013 uses the word 'may' which introduces an element of discretion to the Tribunal to be exercised in the interest of justice in appropriate situations. It is evident from the aforesaid citations that the High Courts have exercised this discretion dispensing with the requirement of convening the meetings, if the Bench is satisfied in all respects. Section 232 is a specific provision carved out by the Legislature when both conditions maintained in clauses (a) and (b) of sub-Section (1) of Section 232 are met. In the instant case the amalgamation sought for is between a Wholly Owned Subsidiary and the Holding Company. The point which needs to be noted is whether such an arrangement alters the rights of the Stakeholders of the Company; whether such an amalgamation has any bearing internally on Creditors/Members of both the Companies; whether not holding the subject meeting would amount to violation of any of the provisions of the Companies Act, 2013; whether the Tribunal can exercise their discretion when the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company and financial position of the Transferee Company is positive and the merger is not affecting the rights of the Shareholders or the Creditors.”

28. In view of the above, the meeting of Unsecured Creditors of the Applicant Company is hereby dispensed with. However, the Applicant Company is directed to send notice to its Unsecured Creditors by Mail / Courier / Registered Post / Hand Delivery / Speed Post / by email (to those creditors whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices by email) at their last known address or their registered email address, as per the records available with the Applicant Company.

ORDER

29. Accordingly, upon consideration of the application, affidavits, annexures, and the material placed on record, the following directions are hereby issued:

- a) In view of the consent affidavits placed on record from the equity shareholders of Transferor Company, the requirement of convening the meeting of its shareholders is hereby dispensed with.
- b) Since Transferor Company has nil secured creditors, the requirement of convening the meeting of its secured creditors does not arise and stands dispensed with.
- c) In view of the fact that the Transferor Company is a wholly owned subsidiary of the Transferee Company, resulting in no change in control or management and no adverse impact on the rights of shareholders or creditors, the requirement of convening the meeting of the unsecured creditors of Transferor Company is hereby dispensed with.

30. The Applicant Company /Transferor Company is directed to send notice to its all Unsecured Creditors by Mail / Courier / Registered Post / Hand Delivery / Speed Post / by email (to those creditors whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices by email) at their last known address or their registered email address, as per the records available with the Applicant Companies. They may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal, with a copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that they have no representations to make on the Scheme.

31. Further, in compliance with Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in Form CAA-3, along with a copy of the Scheme, explanatory statement and all requisite annexures, shall be served upon the following authorities:

- a. Central Government through the Regional Director (Northern Region);
- b. Registrar of Companies, NCT of Delhi & Haryana;
- c. Official Liquidator, High Court of Delhi;
- d. Jurisdictional Income Tax Department, New Delhi & Chief Commissioner of Income Tax, New Delhi;
- e. such other sectoral regulator(s), if any, as may be applicable in law

Stating that the representations, if any, shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the Scheme. The said notice shall be sent forthwith by registered post or by speed post or by hand delivery at the office of the authority as required by sub-rule (2) of Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

32. On completion of the exercise as above, the Applicant Companies shall be entitled to move an appropriate application.
33. It is clarified that the observations made herein are only for the purpose of the present first motion application and shall not be construed as an expression on the merits of the Scheme at the second motion stage.
34. The Court Officer/Registry is directed to send a copy of this order to the Applicant Companies for the necessary steps to be taken at their end.
35. The present Company Application **stands disposed of in the aforesaid terms.**

Sd/-
(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)