



IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.303
C.A.(CAA)/63(AHM)2023

Order under Section 230-232 of Co. Act,2013

IN THE MATTER OF:

Yizumi Precision Machinery(India) Pvt. Ltd.
Yizumi Advance Processing Technology Pvt. Ltd.

.....Applicant

.....Respondent

Order delivered on: 13/12/2023

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for the pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-SD-

SAMEER KAKAR
MEMBER (TECHNICAL)

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, AHMEDABAD**

CA(CAA)/63(AHM)2023

Application under Sections 230-232 and read with other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016]

In the matter of **Scheme of Amalgamation (by way of Absorption)**

YIZUMI PRECISION MACHINERY (INDIA) PRIVATE LIMITED

CIN NO: U29190GJ2016PTC093223

Having its registered office at
C-803, Safal Parivesh, Prahaladnagar,
Ahmedabad, Gujarat-380015

... Applicant / Transferor Company

YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

CIN NO: U29230GJ2019FTC108825

Having its registered office at
Plot No. 1062 & 1063, GIDC Sanand-II
Industrial Estate, Dist. Ahmedabad,
Gujarat-382170

... Applicant/ Transferee Company
and

Their Respective Shareholders and Creditors

Order Pronounced on 13.12.2023

CORAM:

SHAMMI KHAN, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant(s): Ms. Swati Soparkar, Advocate



ORDER

Per: Bench.

1. This is a Joint Company Application Viz., CA(CAA)/63(AHM)/2023 filed by the Applicant Companies, namely **Yizumi Precision Machinery(India) Private Limited** (for brevity “Transferor Company”), and **Yizumi Advanced Processing Technology Private Limited** (for brevity “Transferee Company”) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (by way of Absorption) (hereinafter referred to as the “SCHEME”) proposed by the Applicant Companies. The said Scheme is also appended as **“Annexure -G”** to the typed set filed along with the Application.
2. The rationale of the Scheme of Amalgamation stated in the proposed Scheme is as under: -

Both these companies are part of the same group i.e., Yizumi Group and are engaged in same line of business.



The Board of Directors of both the companies considered the merger of both entities which will result in consolidation of businesses as well as simplification of structure (including shareholding structure). The proposed merger envisaged under this Scheme is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility there by maximizing shareholder value and to achieve higher long-term financial returns. The proposed scheme is envisaged to result in the following benefits:

- Integration of business operations.
- Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities.
- Garner the benefits arising out of economies of large scale and lower operating costs.



- Pooling and rationalization of talents in terms of manpower, management, administration etc. to result in savings of costs.
- Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances and cost.
- Integrated operational and marketing strategies, inter-transfer of resources / costs will result in optimum utilization of assets.
- Bring uniformity in corporate policy.
- Benefit of operational synergies to the combined entity and greater leverage in operations, planning and process optimization.
- The proposed amalgamation will be beneficial to both the companies and their respective shareholders and creditors, employees and other stakeholders and not prejudicial to the interests of the shareholders.

In view of the aforesaid, the Board of Directors of both the companies have proposed this scheme for the



transfer and vesting of whole of the undertaking of the Transferor company with and into the Transferee Company pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act.

It is further clarified that as a consequence of the proposed Scheme of Amalgamation (Merger by Absorption), there will be no change in control or economic beneficial ownership with respect to total shareholding of the promoters/ promoter group i.e. the Ultimate Beneficial Owner/s.

3. The Applicant Companies in this Company Application has sought for the following reliefs;

	EQUITY SHAREHOLDERS MEETING	SECURED CREDITORS MEETING	UNSECURED CREDITORS MEETING
TRANSFEROR COMPANY	To Dispense with	To Dispense with	To Dispense with
TRANSFEE COMPANY	To Dispense with	To Dispense with	To Dispense with

4. From the certificate of incorporation filed, it is evident that the Transferor Company is a Private Limited



Company incorporated under the provisions of the Companies Act, 2013 on 04.08.2016 with the Registrar of Companies, Gujarat, under the name and style of **“Yizumi Precision Machinery(India) Private Limited”**.

5. The authorized, issued subscribed and paid-up share capital of the Transferor Company as on 31.03.2023 is as under:

AUTHORIZED SHARE CAPITAL	AMOUNT (IN RS.)
3,00,000 Equity Shares of Rs.100/- each	3,00,00,000
Total	3,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	AMOUNT (IN RS.)
2,95,792 Equity Shares of Rs. 100/-each	2,95,79,200
Total	2,95,79,200

6. From the certificate of incorporation filed, it is evident that the Transferee Company was incorporated as Private Limited Company under the Companies Act, 2013 on 25.06.2019, with Registrar of Companies, Ahmedabad(Gujarat), under the name and style of **“Yizumi Advanced Processing Technology Private Limited”**.



7. The authorized, issued subscribed, and paid-up share capital of the Transferee Company as on 31.03.2023 is as under:

AUTHORIZED SHARE CAPITAL	AMOUNT (IN RS.)
20,00,000 Equity Shares of Rs.100/- each	20,00,00,000
Total	20,00,00,000
ISSUED, SUBSCRIBED, AND PAID-UP SHARE CAPITAL	AMOUNT (IN RS.)
20,00,000 Equity Shares of Rs. 100/-each	20,00,00,000
Total	20,00,00,000

On 5th May, 2023, 2,22,222 equity shares have been issued by following requisite procedure. The share Capital of transferee Company as at 01.06.2023 is as under:

AUTHORIZED SHARE CAPITAL	AMOUNT (IN RS.)
22,25,000 Equity Shares of Rs.100/- each	22,25,00,000
Total	20,25,00,000
ISSUED, SUBSCRIBED, AND PAID-UP SHARE CAPITAL	AMOUNT (IN RS.)
20,00,000 Equity Shares of Rs. 100/-each	20,00,00,000
Issuance of 2,22,222 Equity Shares of Rs. 100 each on 05.05.2023	2,22,22,200
Total	22,22,22,200

8. Affidavit in support of the above application was sworn on behalf of the applicant Companies has been filed by Mr. Ramesh Varadan for the Transferor Company, and



by one Mr. Yash Shah for the Transferee Company along with the application and it is also represented that the Registered office of the Transferor Company is situated at C-803, Safal Parivesh, Prahaladnagar, Ahmedabad, Gujarat-380015, and the Registered office of the Transferee Company is situated at Plot No. 1062 & 1063, GIDC Sanand-II Industrial Estate, Ahmedabad, Guajrat-382170 within the territorial jurisdiction of the Bench of this Tribunal and falling within the purview of Registrar of Companies, Ahmedabad.

9. YIZUMI PRECISION MACHINERY(INDIA) PRIVATE LIMITED

TRANSFEROR COMPANY

- (i) There are **2(Two)** Equity Shareholders and the consent Affidavits of the Equity Shareholders of the Transferor Company along with Certificate issued by Chartered Accountant certifying list of Equity shareholders is placed at **Annexure I-1 & I-2** of the Application and therefore, sought for Dispensation withholding of meeting. However, the Consent Affidavits submitted are not affirmed on Stamp paper.
- (ii) There is **1(One)** Secured Creditor and the consent Affidavits of the Secured Creditor of the



Transferor Company along with a Certificate issued by Chartered Accountant certifying the list of Secured Creditor is placed at **Annexure I-3 & I-4** of the Application and therefore, sought for Dispensation withholding of meeting.

- (iii) There are **119(Nineteen)** Unsecured Creditors aggregating to Rs. 126.96 crores in the company. 11 out of 119 Unsecured Creditors have filed consent affidavits w.r.t 11 Unsecured Creditors aggregating to 123.69 crores which is about 97.4% and the consent Affidavits of the Unsecured Creditors of the Transferor Company along with Certificate issued by Chartered Accountant certifying list of Unsecured Creditors is placed at **Annexure I-5 & I-6** of the Application and therefore, sought for Dispensation withholding of meeting. However, the Consent Affidavits submitted are not affirmed on Stamp paper.

10. YIZUMI ADVANCED PROCESSING TECHNOLOGY PRIVATE LIMITED

TRANSFeree COMPANY

- (i) There are **3(Three)** Equity Shareholders and the consent Affidavits of the Equity Shareholders of the Transferee Company along with the Certificate



issued by Chartered Accountant certifying list of Equity shareholders is placed at **Annexure J-1 & J-2** of the Application and therefore, sought for Dispensation withholding of meeting. However, the Consent Affidavits submitted are not affirmed on stamp paper.

- (ii) There is **1 (One)** Secured Creditor and the consent Affidavits of the Secured Creditor of the Transferee Company along with Certificate issued by Chartered Accountant certifying list of Secured Creditor is placed at **Annexure J-3 & J-4** of the Application and therefore, sought for Dispensation withholding of meeting. However, the Consent Affidavit submitted are not affirmed on stamp paper.

- (iii) There are **6(Six)** Unsecured Creditors aggregating to Rs. 93.29 crores in the company. 3 out of 6 Unsecured Creditors have filed consent affidavits w.r.t 3 Unsecured Creditors aggregating to 92.09 crores which is about 98.71% and the consent Affidavits of the Unsecured Creditors of the Transferee Company along with Certificate issued by Chartered Accountant certifying list of Unsecured Creditors is placed at **Annexure J-5 & J-6** of the Application and therefore, sought for



Dispensation withholding of meeting. However, the Consent Affidavits submitted are not affirmed on stamp paper.

11. We have perused the application and the connected documents/papers filed therewith including the Scheme contemplated by the applicant companies.
12. The Applicant Companies has filed its Memorandum and Articles of Association *inter alia* delineating its object clauses as well as their last available Audited Annual Accounts for the year ended **31.03.2023** and Provisional/ Unaudited Financial Statements for the period ended on 30.06.2023.
13. The Board of Directors of the Applicant Companies vide meeting held on **20th July 2023** for Transferor Company and **22th July 2023** for Transferee Company had unanimously approved the proposed Scheme as contemplated above and copies of resolutions passed thereon have been placed on record by the applicant companies.



14. The Appointed date as specified in the Scheme is **01.04.2023**.

15. The Statutory Auditors of the Transferor and Transferee Companies have examined the Scheme in terms of provisions of Sec. 232 of the Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013. The said Certificates of the Statutory Auditors in this regard are placed at **Annexure H** of the Transferee Company and **Annexure H-1** of the Transferor Company typed set of Documents filed along with the application.

16. The copy of the valuation report dated 30.06.2023 by the Registered Valuer is annexed at **Annexure-E** with the Company Application.

17. Taking into consideration the application filed by the Applicant Company and the documents filed therewith as well as the position of law, this Tribunal proposes to issue the following directions: -



A. IN RELATION TO THE TRANSFEROR COMPANY:

i. With respect to Equity shareholders:

As it is seen from the application that the Consent Affidavits submitted are not affirmed on stamp paper and instead of consent affidavit, consent letter is placed. Therefore, A meeting of the Equity Shareholders of the Transferor Company is directed to be held on **29/01/2024 at 10:00 AM** at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement.

ii. With respect to Secured Creditors:

Since it is represented by the Transferor Company that there is only **1(One)** Secured Creditor in the Company whose consent by way of Affidavit have been obtained from the Secured Creditor and is placed on record, the necessity of convening, holding and conducting the meeting is ***dispensed with.***

iii. With respect to Unsecured Loan Creditors:



As it is seen from the Petition the Consent Affidavits submitted are not affirmed on stamp paper. Therefore, A meeting of the Unsecured Creditors of the Transferor Company is directed to be held on **29/01/2024 at 11:00 AM** at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement.

B. IN RELATION TO THE TRANSFEREE COMPANY:

(i) With respect to Equity shareholders:

As it is seen from the Petition that the Consent Affidavits submitted are not affirmed on stamp paper and instead of consent affidavit, consent letter is placed. Therefore, A meeting of the Equity Shareholders of the Transferee Company is directed to be held on **29/01/2024 at 2:00 PM** at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for



the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement.

(ii) **With respect to Secured Creditors:**

As it is seen from the Petition that the Consent Affidavits submitted are not affirmed on stamp paper and instead of consent affidavit, consent letter is placed. Therefore, A meeting of the Secured Creditors of the Transferee Company is directed to be held on **29/01/2024 at 3:00 PM** at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement.

(iii) **With respect to Unsecured Creditors:**

As it is seen from the Petition that the Consent Affidavits submitted are not affirmed on stamp paper. Therefore, A meeting of the Unsecured Creditors of the Transferee Company is directed to be held on **29/01/2024 at 4:00 PM** at the Registered Office address of the Transferee Company or through video conferencing or if not convenient at any other suitable



place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement.

18. The quorum for the meeting of the Applicant Transferor Company and Transferee Company shall be as per section 103 of the Companies Act, 2013 as follows;

For the Transferor Company:

S.No	CLASS	QUORUM
1	EQUITY SHAREHOLDERS	2
2	UNSECURED CREDITORS	8

For Transferee Company:

S.No	CLASS	QUORUM
1	EQUITY SHAREHOLDERS	2
2	SECURED CREDITOR	1
3	UNSECURED CREDITORS	2

- i) The Chairperson appointed for the above-mentioned meetings shall be **Ms. Deepti Mukesh**, Practicing Company Secretary. The Fee of the Chairperson for the aforesaid meeting shall be **Rs. 75000/- (Rupees Seventy-Five Thousand only)** in addition to meeting his incidental expenses. The Chairperson(s)



will file the reports of the meeting within a week from the date of holding of the above-said meetings

- ii) **Mr. Vinit Nagar**, Practicing Company Secretary, is appointed as a Scrutinizer and would be entitled to a fee of **Rs. 35000/- (Rupees Thirty-Five Thousand Only)** for services in addition to meeting incidental expenses.

- iii) In case the quorum as noted above, for the above meeting of the Applicant Companies, is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson appointed herein along with the Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.



- iv) The meetings shall be conducted as per the applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);

- v) That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.

- vi) That the Applicant Company shall publish advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily **“Buisness Standard” (Ahmedabad Edition)**, and **“Lokmitra” (Ahmedabad Edition)** in Vernacular stating the copies of Scheme, the Explanatory Statement



required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.

- vii) The Chairperson shall as aforesaid be responsible for reporting the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.
- viii) In compliance with sub-section (5) of Section 230 of the Act and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant companies shall individually send notice to the concerned **(i) Regional Director, MCA (ii) Registrar of Companies Ahmedabad, (iii) Official Liquidator, (iv) the Income Tax Authorities, and (v) Reserve Bank of India** as well as **other Sectoral regulators** who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.
- ix) The applicant companies shall further furnish a copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.



- x) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
- xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

19. The Applications stand **allowed** on the aforesaid terms.

-SD-
SAMEER KAKAR
MEMBER (TECHNICAL)

-SD-
SHAMMI KHAN
MEMBER (JUDICIAL)

Shubhanshu/LRA