

IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH : C-IV

C.P.(CAA)/242/MB/2023  
c/w C.A.(CAA)/137/MB/2023

*In the matter of*  
*Sections 230 to 232 of the Companies Act, 2013 and*  
*other applicable provisions of the Companies Act,*  
*2013*

AND

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

**Tata Steel Limited**  
[CIN: L27100MH1907PLC000260]

*and*

**Tata Metaliks Limited**  
[CIN: L27310WB1990PLC050000]

... Transferee Company/  
Petitioner Company

... Transferor Company/  
Non-Petitioner Company

**Order pronounced on: 11.01.2024**

*Coram:*

Ms. Anu Jagmohan Singh  
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli  
Hon'ble Member (Judicial)

*Appearances:*

For the Petitioner

: Mr. Zal Andhyarujina, Ld. Sr. Counsel  
a/w Mr. Shashank Gautam, Mr. Vijay  
Purohit, Ms. Nikita Bangera, Mr. Pratik  
Jhaveri, Mr. Alok Gokhale,  
Ms. Saravna Vasanta, Ms. Ishani  
Khanwilkar and Mr. Karan Bhide i/b  
P&A Law Offices, Advocates.

For the Regional Director

: Representative of the RD, WR, MCA  
(through VC).



---


**ORDER**

1. The Petitioner company filed this Petition under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, seeking sanction of the Scheme of Amalgamation of **Tata Steel Limited** (“Petitioner/Transferee Company”) and **Tata Metaliks Limited** (“Non-Petitioner/Transferor Company”) and their respective Shareholders.
2. Heard the Ld. Senior Counsel for the Petitioner Company and the Officer from the office of the Regional Director, Western Region, Mumbai (“RD”). No objector has come before this Tribunal to oppose the Scheme nor has any party controverted any averments in the Petition.
3. The Petitioner states that the Transferor Company has its registered office in the State of West Bengal and has filed a separate Company Scheme Petition bearing No. 162/2023 before the National Company Law Tribunal, Kolkata Bench, which is reserved for orders by way of order dated November 16, 2023. Therefore, the Transferor Company is not a Petitioner herein.
4. The Ld. Sr. Counsel submits that the Transferor Company is a listed subsidiary of the Petitioner Company and that the Petitioner Company holds equity shares constituting 60.03% of the equity share capital of the Transferor Company.
5. The Ld. Sr. Counsel for the Petitioner Company submits that the Petitioner Company is engaged in the business of manufacturing steel and offers a



broad range of steel products including a portfolio of high value-added downstream products such as hot rolled, cold rolled and coated steel, rebars, wire rods, tubes and wires. The Petitioner Company also has a well-established distribution network.

6. The Ld. Sr. Counsel for the Petitioner Company submits that the Transferor Company is engaged, *inter alia*, in the business of manufacture and sale of pig iron and ductile iron pipes and its allied accessories in its manufacturing plant located at Kharagpur, West Bengal.
7. The Ld. Sr. Counsel for the Petitioner Company submits that the Scheme of Amalgamation provides for the amalgamation of the Transferor Company into and with the Petitioner Company, under Sections 230 to 232 and other relevant provisions of the Act, such that:
  - a. all the assets of the Transferor Company, shall become the property of the Petitioner Company, by virtue of the amalgamation;
  - b. all the liabilities of the Transferor Company, shall become the liabilities of the Petitioner Company, by virtue of the amalgamation;
  - c. transfer of the authorised share capital of the Transferor Company to the Petitioner Company as provided in Part III of the Scheme, and consequential increase in the authorised share capital of the Petitioner Company as provided in Part III of the Scheme;
  - d. cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66



---

of the Act and issue of New Shares, as provided in Clause 15.2 of the Scheme, to the Eligible Members (as provided in the Scheme) (other than the Petitioner Company) as per the approved valuation report, in accordance with Part II of the Scheme; and

- e. dissolution of the Transferor Company, without being wound up.
8. The Petitioner states that the Board of Directors of the Petitioner Company and Transferor Company have approved the Scheme by passing their respective Board Resolutions dated 22.09.2022.
9. The Petitioner Company had held meeting of the Shareholders of the company on 10.08.2023 and the Chairman of the meeting had submitted his report wherein it is stated that the shareholders consented to the proposed scheme with more than 99% of majority of the votes. Same found satisfactory.
10. **Consideration:**  
The Transferee Company will not be given any new shares for his holding in the Transferor Company. However, other shareholders of the Transferor company will be issued new shares of the Transferee Company in the following proportion:  
  
79 fully paid up ordinary equity shares of Re. 1/- each of the Transferee Company, for every 10 fully paid up equity shares of Rs. 10/- each held in the Transferor Company.



11. **Rationale:**

The Ld. Sr. Counsel for the Petitioner Company submits that the benefits of the Scheme are that:

- a. The amalgamating companies believe that the resources of the merged entity can be pooled to unlock the opportunity for creating shareholder value.
- b. The amalgamating companies will be able to share best practices, cross-functional learnings, and utilize each other's facilities in a more efficient manner.
- c. Marketing and distribution network of the amalgamating companies can be collaborated.

12. The Ld. Sr. Counsel further submits that the circumstances that have necessitated or justified the Scheme and the advantages thereof are *inter alia* as set out below:

- (i) The Petitioner Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferor Company, which is a subsidiary company of the Petitioner Company, is engaged, *inter alia*, in the business of manufacture and sale of pig iron and ductile iron pipes and its allied accessories in its manufacturing plant located at Kharagpur, West Bengal. The amalgamation will consolidate the Transferor Company into and with the Petitioner Company which will result in focused growth, operational efficiencies, and business synergies. In addition, resulting corporate holding structure will bring agility to the business ecosystem of the merged entity.
- (ii) The Scheme would result in the following synergies:



- 
- a. **Operational integration and better facility utilisation:** The proposed Scheme will provide an opportunity for reduction of operational costs through transfer of intermediary products between the amalgamating companies, better order loads, synergies from sales and production planning across the business.
  - b. **Operational efficiencies:** Centralized sourcing would result in procurement synergies and reduction in stores/ spare through common inventory management. The proposed Scheme would also result in sharing of best practices, cross functional learnings, better utilisation of common facilities and greater efficiencies in debt and cash management.
  - c. **Simplified structure and management efficiency:** In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed – proposed Scheme will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities.
  - d. **Faster execution of projects in pipeline:** The growth projects of the Transferor Company will be fast tracked by leveraging the Petitioner Company’s technical expertise and financial resources.
  - e. **Rationalization of logistics cost:** Clubbing of shipments and rationalizing warehouse/stockyard would significantly reduce logistics and distribution costs for the merged entity.



- f. **Improving customer satisfaction and services:** The proposed Scheme would make it easier to address the needs of customers by providing them uniform product and service experience, on time supplies, and improved service levels thereby improving customer satisfaction. With common credit management, the customers are expected to be benefitted from the channel financing from the combined entity.
- g. **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be enhanced by the merged entity, through unfettered access to each other's information technology applications and systems.
13. The Ld. Sr. Counsel for the Petitioner Company submits that the Petition is filed in consonance with the order dated 14.06.2023, passed by this Tribunal in CA(CAA)/137/MB/2023.
14. The Ld. Sr. Counsel for the Petitioner Company further submits that the Petition was admitted by this Tribunal vide order dated September 04, 2023. The Petitioner Company has complied with all the requirements as per the directions in the order of this Bench such as issuing fresh notices indicating the date of hearing and final disposal upon the regulatory authorities, publication of notice of the date of final hearing of this matter in the prescribed newspapers and hosting of the notice along with a copy of the



Scheme on its website and has filed necessary Affidavit proving such compliance with this Tribunal. Additionally, the Petitioner Company has also issued fresh notices indicating the date of hearing and final disposal upon persons who have filed representations in response to notices published by the Petitioner Company. Moreover, the Petitioner Company undertakes to comply with the applicable statutory requirements, if any, as required under the Act and Rules made thereunder, as and when applicable.

15. The Counsel for the Petitioner Company further submits that the equity shares of the Petitioner Company and Transferor Company are listed on the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively “Stock Exchanges”). The Stock Exchanges vide their letters dated March 31, 2023, have respectively provided their ‘Observation Letter’ to the Petitioner Company and Transferor Company, to file the Scheme with this Tribunal, pursuant to which the Petitioner Company has approached this Tribunal seeking its sanction to the Scheme.
16. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its report dated 27.10.2023 in respect of the Petitioner Company setting out his observations on the Scheme. In response to the observations made by the RD, the Petitioner Company has given necessary clarifications and undertakings by way of an affidavit dated 27.10.2023 and also served a copy of the affidavit upon the office of the RD. The observations made by the RD and the clarifications and undertakings given







		<p><i>2013 where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set-off against any fees payable by the transferee company on its authorized capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting-off the fee already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to the amalgamation.</i></p>	<p>provisions of Section 232 (3) (i) of the Act and undertakes to pay necessary fees, if so required in compliance with applicable law.</p>
3.	2 a) ii. b)	<p><i>Interest of the Creditors should be protected.</i></p>	<p>The Scheme does not envisage or contain any corporate debt restructuring. The creditors of the Petitioner Company are being paid in the normal course of business as per the agreed terms and are not called upon to make any</p>



			<p>sacrifices, hence their interests are not getting affected in any way. It is submitted that the assets of the Petitioner Company are in excess of and more than sufficient to meet all its external liabilities and the Scheme will not adversely affect the rights and interest of any of its creditors in any manner whatsoever. It is further submitted that pursuant to the amalgamation of the Transferor Company with the Petitioner Company, the debt repayment capacity of the Petitioner Company will not be adversely affected and that the post Scheme net worth of the Applicant Company will be positive</p>
--	--	--	--



			(refer to Net Worth Certificate <sup>1</sup> annexed at <b>Exhibit 25</b> of the captioned Company Scheme Petition). Therefore, the Scheme and the amalgamation contemplated thereby will not adversely affect the interests of the creditors of the Petitioner Company.
4.	2 a) ii. c)	<i>May be decided on its merits.</i>	There is no specific observation and does not require a response.
5.	2 b)	<i>Transferee company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i>	The Petitioner Company shall comply with the provisions of Section 232 (3) (i) of Act and undertakes to pay necessary fees, if so, required in compliance with applicable law.
6.	2 c)	<i>In compliance of Accounting</i>	The Petitioner Company



		<p><i>Standard-14 or IND-AS 103, as may be applicable, the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i></p>	<p>being a listed entity, the Indian Accounting Standards (Ind AS), as notified under section 133 of the Act are applicable to the Petitioner Company and financials are being prepared in accordance with the IND AS. In compliance with the proviso of section 232(3) of the Act, a certificate from the statutory auditor has been obtained to certify that the proposed accounting treatment of the scheme is in compliance with the Indian Accounting Standards. In line with this, the Petitioner Company undertakes to pass such accounting entries in relation with the</p>
--	--	---	---



			Scheme to comply with all applicable Indian Accounting Standards (Ind AS).
7.	2 d)	<i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i>	The Scheme annexed to the Company Scheme Application No. CA(CAA)/137/2023 and Company Scheme Petition No. CP(CAA)242/2023 are one and the same and there is no discrepancy, or change made to the Scheme.
	2 e)	<i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any</i>	The Petitioner Company has served notices under Section 230 (5) of the Act to the concerned authorities, as directed by this Hon'ble Tribunal vide order dated June 14, 2023, passed in the captioned Company Scheme Application. The



		<p><i>of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>Petitioner Company has filed its affidavit-of-service proving compliance with the directions issued by the Hon'ble Tribunal in this regard.</p>
9.	2 f)	<p><i>As per Definition of the Scheme, "Appointed Date" means the opening of business on April 1, 2022, or such other date as determined by the Board of Directors of the Transferor Company and Transferee Company/ Applicant Company or directed/ allowed by the Competent Authority;</i></p> <p><i>"Effective Date" means the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and</i></p>	<p>The Petitioner Company is in compliance with the requirements of Circular No. F. No. 7/12/209/CL-I dated August 21, 2019, issued by the Ministry of Corporate Affairs.</p>



		<p><i>the Transferee Company/ Applicant Company with the Registrar of Companies, Kolkata and Registrar of Companies. Mumbai (whichever is later) after all the conditions and matters referred to in Clause 22 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this scheme, and which filing may be a filing independent of the filing required to be made under Section 232(5) of the Companies Act, 2013 read with Rule 25(7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.</i></p> <p><i>"Record Date" means the date to be mutually fixed by the Board of Directors of the Transferor Company and the Transferee</i></p>	
--	--	--	--





		<p><i>Company/ Applicant Company, for the purpose of determining the shareholders of the Transferor Company to whom new shares (as defined in the Scheme) would be allotted pursuant to the Scheme;</i></p> <p><i>It is submitted that the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	
10.	2 g)	<p><i>Petitioner Companies shall undertake to comply with the directions of the Income Tax Department &amp; GST Department, if any.</i></p>	<p>The Petitioner Company undertakes to comply with the directions of the Income Tax Department &amp; GST Department, if any, in accordance with applicable law.</p>
11.	2 h)	<p><i>Petitioner Companies shall undertake to comply with the</i></p>	<p>The Petitioner Company undertakes to comply</p>



		<i>directions of the concerned sectoral Regulatory, if any.</i>	with the directions of the concerned sectoral regulators, if any, in accordance with applicable law.
12.	2 i)	<i>Petitioner/Transferor Companies and Transferee Company shall undertake to comply with the observations pointed out by NSE &amp; BSE vide their observation letter dated 31.03.2023 also comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) and any other relevant regulations and circulars.</i>	The Petitioner Company undertakes to comply with the observations made by the NSE and BSE vide their letters dated March 31, 2023, the SEBI (Listing, Obligation and Disclosure Requirements) Regulations, 2016, and any other relevant regulations and circulars, as applicable. The Petitioner Company also undertakes to comply with the covenants in the Debenture Deeds entered into with Debenture Trustees.
13.	2 j)	<i>Tata Metaliks Limited the</i>	Under clause 22.1(f) of the



	<i>Petitioner Transferor Company having their registered office at Tata Centre, 10<sup>th</sup> Floor, 43 J. L. Nehru Road, Kolkata 700 071, in the State of West Bengal, hence Petitioner Companies shall undertake to obtain approval from Hon'ble NCLT, West Bengal Bench."</i>	Scheme, the Scheme is conditional and subject to receipt of approval from the relevant benches of this Hon'ble Tribunal under sections 230-232 of the Act.
--	--	--

17. Representative of the Regional Director (WR), Mumbai, appeared (through VC) on the date of hearing and submitted that above explanations and clarifications given by the Petitioner Company in rejoinder are satisfactory and has no objection in approving the Scheme.
18. The Counsel for the Petitioner Company submits that the Petitioner Company has received certain communications from three unsecured creditors, one shareholder, and from the Office of the Assistant Commissioner, Central Goods & Service Tax, Division-VII, Ghaziabad ("**GST Authority**") pursuant to the notices issued in compliance with the order dated June 14, 2023, passed by this Tribunal in Company Scheme Application No. CA(CAA)/137/MB/2023. The Petitioner Company has filed responses to the said communications by way of affidavits which are on record of this Tribunal. The GST Authority in its communication has requested that the Petitioner Company may be directed by this Tribunal to



follow the provisions of Section 18 (*Availability of credit in special circumstance*), Section 87 (*Liability in case of amalgamation or merger of companies*) of the Central Goods and Services Tax Act, 2017 r/w. Rule 41 (*Transfer of credit on sale, merger, amalgamation, lease or transfer of a business*) of the Central Goods and Services Tax Rules, 2017. The GST Authority has also referred to the Circular No. 133/03/2020-GST dated March 23, 2020, by Central Board of Indirect Taxes & Customs. The Counsel submits that the Petitioner Company is in compliance with and undertakes to comply with the relevant provisions referred to by the GST Authority.

19. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme and in case it is found that the scheme ultimately results in tax avoidance under the provisions of Income Tax Act, it shall be open to the income tax authorities to take necessary action as possible under the Income Tax Law.
20. The approval of the Scheme will not affect the rights and contentions of all the Regulatory Authorities including Registrar of Companies and the same will remain open to take any action for non-compliance of the law and that such action, if taken would continue against the Transferee Company.
21. From the material on record and after perusing the clarifications and submissions of the Petitioner Company to the Report filed by the RD, the Scheme appears to be fair, reasonable and is not in violation to any provisions of law nor is contrary to public interest/policy.



22. Since all the requisite statutory compliances have been fulfilled, the Company Petition [CP(CAA)/242/MB/2023] filed by the Petitioner Company is made absolute in terms of the prayer clause (a) of the Company Scheme Petition, the Scheme is hereby **sanctioned** with respect to the Petition filed by the Petitioner/Transferee Company as the Petitioner is within the jurisdiction of this Bench. This Bench further orders that -

- (i) The Appointed Date is fixed as 1<sup>st</sup> April, 2022.
- (ii) It shall be binding on the Petitioner Company and the Transferor Company and all concerned including their respective Shareholders, Creditors and Employees.
- (iii) The Petitioner Company is directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with E-Form INC-28 within 30 days from the date of issuance of the certified copy of the Order by the Registry / approval to the scheme by the Ministry of Information and Broadcasting.
- (iv) The Petitioner Companies to lodge a certified copy of this order and the Scheme duly authenticated by the Deputy Registrar or the Assistant Registrar, as the case may be, of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the certified copy of order.
- (v) The Petitioner Companies shall comply with all the undertakings given by them.



(vi) The Petitioner Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.

(vii) All concerned authorities shall act on a copy of this Order along with the Scheme duly authenticated by the Registrar of this Tribunal.

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

23. With the above directions, C.P.(CAA)/242/MB/2023 c/w CA(CAA)/137/MB/2023 is **allowed** and disposed-off. File to be consigned to records.

Sd/-

**ANU JAGMOHAN SINGH**  
**Member (Technical)**

11.01.2024/pvs

Sd/-

**KISHORE VEMULAPALLI**  
**Member (Judicial)**