

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

CA(CAA)/04/KOB/2026

(Under Sections 230-233 of the Companies Act, 2013, read with Companies (Compromise, Arrangements and Amalgamations) Rule, 2016)

Date of Institution: 28.11.2025

Order delivered on: 01.06.2026

***In the matter of scheme of
arrangement in the nature of
Amalgamation***

of

**M/s. FOAM MATTINGS (INDIA)
LIMITED,**

CIN: U17214KL1978SGC003029

VIII/530, Civil Station Ward,

Alleppey, Kerala - 688012,

**...Applicant No: 1/Transferor
Company**

&

**M/s. THE KERALA STATE COIR
CORPORATION LIMITED,**

CIN U17233KL1969SGC002235,

P B NO 191 Factory Ward,

Alleppey, Kerala, 688001

**... Applicant No: 2 /Transferee
Company**

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearances:

For the Applicant Companies : Mr. CA Sreeram Sekar

ORDER

Per Coram

1. This Joint Company Application **CA(CAA)/04/KOB/2026** has been filed by the Applicant Companies under Sections 230-233 of the Companies Act, 2013 (hereinafter called as 'the Act' or 'Companies Act'), read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The proposed Composite Scheme of Arrangement in the nature of Amalgamation between M/s. Foam Mattings (India) Limited (Applicant No.1/Transferor Company) and M/s. The Kerala State Coir Corporation Limited (Applicant No.2/Transferee Company) (collectively referred to as the "Applicant Companies").
2. The **Applicant No.1 Company**, M/s. Foam Mattings (India) Limited is a Government company incorporated under the Companies Act, 1956, with the name Foam Mattings (India) Limited (FOMIL) on 12.12.1978 with CIN: U17214KL1978SGC003029, having its registered office at VIII/530, Civil Station Ward, Alleppey, Kerala 688012.
3. The Applicant Company No.1 submitted that Applicant No.1 Company is a wholly owned undertaking of the Government of Kerala, classified as a Government Company within the meaning of Section 2(45) of the Companies Act, 2013.
4. The authorised share capital of the Applicant No. 1 Company is Rs. 8,00,00,000/-, divided into 8,00,000 equity shares of Rs. 100/- each. The

issued, subscribed, and paid-up share capital of the Company as on 31.03.2025 is Rs. 6,66,73,000/-, which is divided into 6,66,730 equity shares of Rs. 100/- each.

5. The objects of Applicant No.1 Company is to manufacture, sell, export, import, and deal in foam-backed coir mattings, mattresses, and all kinds of coir products.
6. The **Applicant No.2 Company**, M/s The Kerala State Coir Corporation Limited, wholly owned by the Government of Kerala, incorporated as a Private Limited Company under the Companies Act, 1956, on 19.07. 1969, in the name of The Kerala State Coir Corporation Limited, bearing CIN U17233KL1969SGC002235, having registered office at P B NO 191, Factory Ward, Alleppey, Kerala, 688001.
7. The authorised share capital of the Applicant No.2 Company is Rs. 10,00,00,000/-, divided into 10,00,000 equity shares of Rs. 100/- each. The issued, subscribed, and paid-up share capital of the Company as on 31.03.2024 is Rs. 8,04,55,000/-, which is divided into 8,04,550 equity shares of Rs. 100/- each.
8. The main object of the Applicant No.2 Company is to carry on the business of developing, promoting, and stabilizing the coir industry in Kerala and to establish and operate as an export house for coir and coir products.
9. Rationale of the scheme is as under:
 - i. The proposed merger will help in reaping the benefits of higher capital base and pooled resources, resulting in greater integration, financial strength and flexibility of the merged entity, which will help in improving*

the competitive position of the combined entity.

ii. The merged entity will be in better position for leveraging the benefits of a high net worth, for tapping diverse business opportunities and the proposed merger will also place the entity in a strategic position for providing end-to-end solutions in the transmission and distribution.

iii. The merger will lead to synergies of operations and will help the merged entity in reaping the economies of scale, improving organizational capability to enable the entity to compete in an increasingly competitive industry.

iv. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes and elimination of duplication and rationalization of administrative expenses.

Greater access by the merged companies to different market segments in the conduct of its business.

vi. Greater efficiency in management of the merged entity and deployment of funds for organic and inorganic growth opportunities, to maximize shareholder value.

vii. The merger will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The merger will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement 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 the Transferor Companies and Transferee Company.

viii. The synergies created by scheme of merger would increase operational efficiency and integrate business functions.

10. Both the Applicant Companies have filed their respective Memorandum of Association and Articles of Association, inter alia, delineating their object clauses.
11. The Applicant No.1 Company have filed their audited financial statements as of 31.03.2024 and provisional unaudited accounts as of 31.03.2025. And submitted that as of 31.03.2025, the Applicant Company No.1 has not issued any debentures and, apart from the current liabilities incurred and settled in the normal course of business, it has other non-current liabilities.
12. The Applicant No.1 Company submitted that, subsequent to the Provisional unaudited Accounts and as on date, there has been no other substantial change in the Capital Structure or the Financial Position of the Applicant No.1 Company except those arising or resulting from the usual course of business.
13. The Applicant No.2 Company has filed their audited financial statements as of 31.03.2024 and provisional unaudited accounts as of 31.03.2025. And submitted that as of 31.03.2025, the Applicant Company No.2 has not issued any debentures and, apart from the current liabilities incurred and settled in the normal course of business, it has other non-current liabilities.
14. The Applicant No.2 Company submitted that, subsequent to the Provisional unaudited Accounts and as on date, there has been no other substantial change in the Capital Structure or the Financial Position of the Applicant No.2 Company except those arising or resulting from the usual course of business.

15. The Applicant Companies have obtained and placed on record the statutory valuation of shares assessed by a Registered Valuer as required under Section 230 of the Companies Act, 2013.
16. The Board of Directors of the Applicant No.1 Company and Applicant No.2 Company, at their respective board meetings held on 25.07.2025 and 30.07.2025, have approved the proposed Scheme of Amalgamation between the Applicant Companies, with the Appointed Date being 01.04.2025.
17. As on 31.03.2025, the Applicant No.1 Company has 02 (Two) Equity Shareholders. The list of shareholders of the Applicant No.1 Company produced along with the petition is reproduced as under:

LIST OF SHAREHOLDERS

Name	No. of Shares held	Face Value in ₹	Amount ₹
Governor of Kerala	666720	100	66,67,2000.00
Director of Coir Development	10	100	1,000.00

18. As on 31.03.2025, the Applicant No.2 Company has 02 (Two) Equity Shareholders. The list of shareholders of the Applicant No.2 Company produced along with the petition is reproduced as under:

LIST OF SHAREHOLDERS

	Name	No of Equity shares held	Face value per share	Total value of Paid up share capital
1	Governor of Kerala	8,04,547	Rs. 100	Rs. 8,04,54,700
2	Principal Secretary, Shri Acharath Parakat Mahalil Mohamed Hanish IAS	3	Rs. 100	Rs. 300
	TOTAL	8,04,550		Rs. 8,04,55,000

19. The Applicant Companies submitted that the Government of Kerala, being the sole shareholder, has already accorded its approval to the proposed Scheme of Arrangement through Government Order No. G.O.(Ms) No. 76/2025/ID dated 16.10.2025 issued by the Industries Department, Government of Kerala. The said Government Order signifies the approval of the sole shareholder to the Scheme and may be treated as compliance with the requirement of shareholders' approval under Section 230(1) of the Companies Act, 2013. The copy of the Government Order G.O.(Ms) No. 76/2025/ID dated 16.10.2025 is annexed as Annexure No. 11.

20. As on 16.03.2026, the Applicant No.1 Company has 01 (One) Secured Creditor having an outstanding amount of Rs. 42,44,345.26(Rupees Forty-Two Lakhs Forty-Four Thousand Three Hundred Forty-Five and Twenty -Six Paise Only). Secured Creditors constituting 100% in value of the total secured debt have extended their consent to the Scheme of Amalgamation and for dispensation of their meeting for approval of the Scheme of Amalgamation. The list of Secured Creditors, along with their

respective consent affidavits, has been attached as Annexure A-6 and A-4, respectively.

21. As on 16.03.2026, the Applicant No.1 Company has 88 (Eighty-Eight) Unsecured Creditors having an outstanding amount of Rs. 20,24,32,606.94(Rupees Twenty Crores Twenty-Four Lakhs Thirty-Two Thousand Six Hundred Six and Ninety-Four Paise Only). Unsecured Creditors constituting 96.50% in value of the total unsecured debt have extended their consent to the Scheme of Amalgamation and for dispensation of their meeting for approval of the Scheme of Amalgamation. The list of Unsecured Creditors, along with their respective consent affidavits, has been attached as Annexure A-6 and A-4, respectively.

22. As on 16.03.2026, the Applicant No.2 Company has 4(Four) Secured Creditors having an outstanding amount of Rs. 90,29,56,846(Rupees Ninety Crores Twenty-Nine Lakhs Fifty-Six Thousand Eight Hundred Forty-Six Only). Secured Creditors constituting 100% in value of the total secured debt have extended their consent to the Scheme of Amalgamation and for dispensation of their meeting for approval of the Scheme of Amalgamation. The list of secured Creditors, along with their respective consent affidavits, has been attached as Annexure A-6 and A-5, respectively.

23. As on 16.03.2026, the Applicant No.2 Company has 309(Three Hundred and Nine) Unsecured Creditors having an outstanding amount of Rs. 56,90,67,710.97(Rupees Fifty-Six Crores Ninety Lakhs Sixty-Seven Thousand Seven Hundred Ten and Paise Ninety-Seven Only). Unsecured

Creditors constituting 66.89% in value of the total unsecured debt have extended their consent to the Scheme of Amalgamation and for dispensation of their meeting for approval of the Scheme of Amalgamation. The list of secured Creditors, along with their respective consent affidavits, has been attached as Annexure A-6 and A-5, respectively.

24. Both the Applicant Companies declare that they are in compliance with the Accounting Standards as prescribed by the Institute of Chartered Accountants of India, and the Auditor's certificate under Section 133 of the Companies Act, 2013, confirms the same.
25. The Applicant Companies submitted that all legal, administrative, and other proceedings by or against the Transferor Company pending before any court, tribunal, or authority shall continue and, upon the Scheme becoming effective, the same shall be prosecuted or defended by or against the Transferee Company. It was further submitted that no suit, appeal, or proceeding shall abate, discontinue, or be prejudicially affected by reason of the amalgamation, and that such proceedings shall continue in the name of the Transferee Company as if the Scheme had not been made.
26. The Applicant Company No. 1 submitted that it has not previously filed any application, writ petition, or suit in respect of the subject matter of the present Petition before any court of law, authority, Bench, or Board, and that no such application, writ petition, or suit is pending before any of them.
27. The Applicant Company No. 1 further submitted that approval from the

Competition Commission of India is not required, as the Applicant No. 1 Company falls outside the purview of the provisions of the Competition Act, 2002, as amended from time to time.

28. Heard the arguments advanced by the Learned Counsel for the Applicant Companies and perused the documents on record, including the Scheme.

29. Upon perusal of the Company Application, the Scheme of Amalgamation and the documents placed on record, this Tribunal is prima facie satisfied that the Application is maintainable under Sections 230–232 of the Companies Act, 2013 and that the Registered Offices of the Applicant Companies are situated within the territorial jurisdiction of this Bench. The Scheme has been duly approved by the respective Board of Directors, vide resolutions dated 25.07.2025 and 30.07.2025, respectively placed at Annexure 4 and 9. The Scheme clearly delineates the undertaking proposed to be amalgamated, together with the assets and liabilities to be transferred on a going concern basis, and specifies the Appointed Date as 01.04.2025 and the Effective Date as contemplated therein.

30. The Applicant Companies have placed on record the list of equity shareholders and creditors, including secured and unsecured creditors, and this Tribunal is prima facie satisfied that the classification of stakeholders is proper and does not appear to be arbitrary. The Valuation Report dated 17.07.2025, issued by Mr V. Rajendran, is placed along with the application, and the Share Exchange Ratio as recommended therein has also been produced. The Auditor's Certificate dated 14.11.2025 and 18.11.2025 are annexed as Annexure 5 and 10 certifying that the accounting treatment proposed in the Scheme is in conformity with

Section 133 of the Act and the applicable Accounting Standards have been filed.

31. Further on perusal of the relevant clauses of the Scheme relating to legal proceedings, it is observed that the Applicant Companies have clearly addressed the issue of pending proceedings involving the Transferor Company. The Scheme states that, from the Appointed Date, the Transferee Company will take over both the benefits and liabilities arising from any legal proceedings initiated by or against the Transferor Company. It is also provided that all proceedings pending before any court, tribunal, or authority shall continue in the name of the Transferor Company until the Effective Date and thereafter shall continue in the name of the Transferee Company in the same manner as if the Scheme had not come into effect. Further, the Scheme clarifies that no suit, appeal, or proceeding shall abate, discontinue, or suffer prejudice merely because of the amalgamation. Therefore, the Scheme adequately discloses the manner in which pending proceedings will be dealt with after the amalgamation.

32. The Applicant Companies have sought the dispensation of the meetings of the equity shareholders of both companies on the ground that the Government of Kerala is the sole shareholder of the Applicant Companies. In support of the same, the Applicant Companies have produced Government Order No. G.O.(Ms) No. 76/2025/ID dated 16.10.2025 issued by the Industries Department, Government of Kerala, evidencing approval of the proposed Scheme of Amalgamation. Since the Government of Kerala is the sole shareholder of the Applicant Companies,

its approval to the Scheme can be considered as the requisite consent of the equity shareholders under Section 230(9) of the Companies Act, 2013.

33. Further, the Applicant Companies have also sought dispensation of the meeting of the unsecured creditors of Applicant Company No. 2 on the basis of the consent affidavits obtained from such creditors. However, on examining the materials placed on record, it is seen that the affidavits filed represent only 66.89% in value of the total unsecured creditors of Applicant Company No. 2. Under Section 230(9) of the Companies Act, 2013, this Tribunal may dispense with the meeting of creditors only when creditors representing at least ninety per cent in value have given their consent to the proposed Scheme by way of affidavits. Since the consent obtained from the unsecured creditors of the Applicant No.2 Company does not satisfy the statutory requirement, the request for dispensation of the meeting of unsecured creditors of Applicant Company No. 2 cannot be granted.

34. Taking into consideration the application and the documents filed therewith as well as the position of law, this Tribunal issues the following directions: -

A. Applicant No 1 Company

- a) The meeting of the equity shareholders and of the Applicant Company No. 1 for considering the Scheme of Amalgamation is hereby **dispensed** on the basis of the Government Order No. G.O.(Ms) No. 76/2025/ID dated 16.10.2025 issued by

the Industries Department, Government of Kerala, which is placed on record.

- b) The meeting of the secured creditors of the Applicant Company No. 1 for considering the Scheme of Amalgamation is hereby **dispensed** as there exists the consent of 1 (One) secured creditor constituting 100% of the total secured debt, in value, by way of affidavits placed on record.
- c) The meeting of the unsecured creditors of the Applicant Company No. 1 for considering the Scheme of Amalgamation is hereby **dispensed** as there exists the consent of 7 (Seven) unsecured creditors constituting 96.50% of the total unsecured debt, in value, by way of affidavits placed on record.

B. Applicant No 2 Company

- a) The meeting of the equity shareholders and of the Applicant Company No. 2 for considering the Scheme of Amalgamation is hereby dispensed on the basis of the Government Order No. G.O.(Ms) No. 76/2025/ID dated 16.10.2025 issued by the Industries Department, Government of Kerala, which is placed on record.
- b) The meeting of the secured creditors of the Applicant Company No. 2 for considering the Scheme of Amalgamation is hereby dispensed as there exists the consent of 4 (Four) secured creditors constituting 100% of

the total secured debt, in value, by way of affidavits placed on record.

c) The meeting of the unsecured creditors of the Applicant No.2 Company for considering the Scheme of Amalgamation is directed to be convened in accordance with law.

35. The meeting of the unsecured creditors of Applicant No.2 Company shall be convened at the registered office of the Applicant No.1 Company through hybrid mode, including video conferencing or any other audio-visual means capable of being recorded, to consider and, if thought fit, approve, with or without modifications, the proposed Scheme of Amalgamation by means of voting, including remote electronic voting.

36. The meetings shall be convened within 45 days from the date of this order, with a minimum notice of 30 days to be provided.

37. The **Managing Director of the Kerala State Coir Corporation Limited** is appointed as the **Chairperson** for the meeting, and the meeting shall be **co-chaired** by any serving officer having a rank not less than the rank of **Joint Secretary, Department of Industries and Commerce, Government of Kerala**, and will countersign the report to demonstrate due compliance of process in a fair and transparent manner.

38. **CA Sreeram Sekar**, Email Id: sreeramsekar@sekharandjyanthi.in, Ph No: 9995120899, is appointed as the **Scrutinizer** for the meeting.

39. The quorum for the aforesaid meeting of the unsecured creditors shall be satisfied by two parameters, creditors, members present and voting,

representing at least 30% in number and 50% in value of the unsecured creditors, whether present in person or through proxy.

40. 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 persons 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.

41. Notice to the convening of the said meetings, indicating the day, date, place, and time, as aforesaid, shall be published in '**The Hindu**' English daily, '**Malayala Manorama**', Malayalam daily, all Kerala edition, and on the official website of the Applicant Company No.2, 30 days before the date of the meeting. The publication shall indicate the time within which copies of the scheme shall be made available to the concerned persons free of charge from the respective registered office of the Applicant Company No.2. The publication shall also indicate that the statement is required to be furnished according to Section 102 of the Act.

42. In addition, at least one month before the date of the meeting to be held as aforesaid, a notice convening the said meeting, indicating the day, date, place, and time, as aforesaid, together with a copy of the scheme, a copy

of the statement required to be furnished under section 102 of the Act read with Sections 230 to 232 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent to all unsecured creditors at their respective registered or last known addresses either by registered post or speed post, e-mail, by courier or by hand delivery.

43. It is further directed that along with the notice, the Applicant Companies shall also send a statement explaining the effect of the Scheme on the Creditors, key managerial personnel, promoters and non-promoter members etc., along with effect of the Scheme of Arrangement and Amalgamation on any material interests of the Directors of the Company, as provided under sub-section 3 of Section 230 of the Act.
44. The Chairman shall file an affidavit not less than 7(seven) days before the date fixed for the holding of the meetings for compliances to be made as required under the law.
45. The Chairman shall be responsible for reporting the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, within ten days of the conclusion of the meeting.
46. The notices are to be served to the sectoral regulators/authorities under Section 230(5) of the Companies Act, 2013, as aforesaid, shall contain all the disclosures as mentioned in Rule 6(3) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016, irrespective of the fact that meetings have been dispensed with.

47. The Applicant Companies shall serve notices upon the Regional Director, Ministry of Corporate Affairs, Registrar of Companies, Income Tax Department, Customs Department, Goods and Services Tax Department, according to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, so that timely and proper response may be filed. Representations, if any, made by them shall be sent to the Tribunal within 30 days from the date of receipt of such notice, and a copy of such representation shall simultaneously be sent to the concerned company, failing which, it shall be presumed that they have no objection to the proposed Scheme of Amalgamation. The Applicant Companies shall file an affidavit proving service of notices and compliance reports of the above-said directions contained herein with the Registry of this Tribunal.
48. Failure to comply with the above directions, this order for dispensing with the meeting of the Members/Shareholders and secured creditors of the Applicant Companies shall stand cancelled automatically.
49. All the aforesaid directions are to be complied with by the Applicants strictly by following the applicable laws, including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016, as well as the provisions of the Companies Act, 2013.
50. The Applicant Companies are directed to present a Petition to this Tribunal in Form No. CAA-5 for sanction of the Scheme of Amalgamation.
51. The Applicant Companies have filed the audited financial statements as

on 31.03.2024 and the provisional unaudited financial statements as on 31.03.2025. In view of the requirement under Sections 230 to 232 of the Companies Act, 2013, to disclose the latest financial position of the Applicant Companies, and considering that the present application was filed on 28.11.2025, the Applicant Companies would be under an obligation to place on record, along with the Second Motion Petition, fully compliant all relevant audited financial statements.

52. Accordingly, this Company Application bearing No. **CA(CAA)/04/KOB/2026** stands **allowed**.

53. The Registry is hereby directed to send e-mail copies of this order forthwith to the parties, their Learned Counsel, the Chairpersons and the Scrutinizer for information and to take necessary steps.

54. The Registry is also hereby directed to send e-mail copies of this order forthwith to the Secretary, Department of Industries and Commerce, Government of Kerala.

55. Let the certified copy of this order be issued, if applied for, upon compliance with the requisite formalities.

Sd /-

RAVICHANDRAN RAMASAMY

(MEMBER TECHNICAL)

Sd /-

VINAY GOEL

(MEMBER JUDICIAL)

Signed on this the 1st day of June, 2026.

At*