

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

CA(CAA)NO.27/BB/17

Under Section 230 to 232 of Companies Act, 2013

**IN THE MATTER OF
RANGSONS MARKETING SERVICES PRIVATE LIMITED**

Order delivered on: 18th July, 2017

Coram: Hon'ble Shri Ratakonda Murali, Member (Judicial)
Hon'ble Shri Ashok Kumar Mishra, Member (Technical)

For the Petitioner (s) 1. Shri.Saji.P. John, Sr.Advocate

Per: Hon'ble Shri Ratakonda Murali, Member (Judicial)

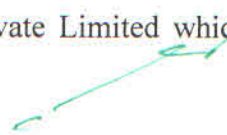
Heard on: 27.04.2017, 09.06.2017

ORDER

This Application is filed on behalf of the Applicant Company under Section 230 and 232 of the Companies Act, 2013 read with Rule 3 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016, praying to order for dispensing with the convening of Meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors (Unsecured Loan Creditors and Unsecured Trade Creditors) of the Applicant Company for considering the Scheme of Arrangement, where under Ripple Fragrances Exports Private Limited (Transferor Company No.1) to be merged with Ripple Fragrances Private Limited which is Transferee Company No.1 and demerger of Sales and Marketing division of Ripple Fragrances Private Limited which is Transferee Company No.1 & demerger of trading division of Rangsons Marketing Services Private Limited (Applicant/Transferor Company No.3) into N.Ranga Rao & Sons Private Limited. The Scheme of Arrangement shown as **Annexure-F**.

The averments made in the Company Application are briefly described hereunder:-

The Applicant Company seeks an order for dispensing with the convening of the Meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors (Unsecured Loan Creditors and Unsecured Trade Creditors) of the Applicant Company for approving the Scheme of Arrangement of where under Ripple Fragrances Exports Private Limited which is Transferor Company No.1 to be merged with Ripple Fragrances Private Limited which is



Transferee Company No.1 and demerger of Sales and Marketing division of Ripple Fragrances Private Limited (Transferee Company No.1) & demerger of trading division of Rangsons Marketing Services Private Limited (Applicant/Transferor Company No.3) into N.Ranga Rao & Sons Private Limited (Transferee Company No.2). The Scheme of Arrangement shown as **Annexure-F**.

Application is filed by the Applicant Company alleging that the Applicant Company was incorporated on 13th July, 1983 as per the provisions of the Companies Act, 1956 under the name and style of Prosperity Marketing Services Private Limited with Registrar of Companies, Karnataka. Subsequently on 19th December, 2005 the name of the Applicant Company was changed to Rangsons Marketing Services Private Limited. The Registered office of the Applicant Company is situated at Plot No.1553, N.R. House, Vanivilas Road, Mysore-570004.

The main objects of the Applicant Company is to carry on the business of providing marketing services, to act as manufactures, representatives, to act as agents for other Manufactures and dealers, to provide integrated Marketing Services including Market Surveys, Project evaluations, marketing consultancy, sales promotion, advertising services through all available media, to carry on business of shipping and forwarding agency and providing facilities for export and to represent other principals in all exports and imports. The copy of Memorandum and Articles of Association of the Applicant Company shown as **Annexure-A**.

The latest authorized share capital of Applicant Company is Rs.95,00,000/- divided into 9,50,000 Equity Shares of Rs.10/- each. The issued, subscribed and paid-up share capital is Rs.2,10,990/- divided into 21,090 Equity Shares of Rs.10/- each fully paid up. The Audited balance sheet as on 31st March, 2016 shown as **Annexure -B**.

It is further stated that, the Board of Directors of the Applicant Company have approved and adopted a Scheme of Arrangement at its meeting held on 25th January, 2017 by virtue of which Ripple Fragrances Exports Private Limited which is Transferor Company No.1 to be merged with Ripple Fragrances Private Limited which is Transferee Company No.1 and demerger of Sales and Marketing division of Ripple Fragrances Private Limited which is Transferee Company No.1 & demerger of trading division of Rangsons Marketing Services Private Limited (Applicant/Transferor Company No.3) into N.Ranga Rao & Sons Private Limited subject to confirmation. The copy of the Board resolution of Applicant Company




dated 25th January, 2017 in approving and adopting the scheme of arrangement shown as **Annexure-E.**

It is further stated in the scheme that, the integration, consolidation and arrangement would inter alia have the following benefits:

1. To take advantage of the marketing strength and capabilities of N. Ranga Rao & Sons, it is proposed to demerge the Sales & Marketing division of Ripple Fragrances Private Limited into N.Ranga Rao & Sons.
2. Greater efficiency in cash management of the merged entity and transferee Company No.2 and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximise shareholder value.
3. Improved organisational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

It is further stated that the Chartered Accountant after verification of the books of accounts, other records and documents of the Applicant Company has certified the number of shareholders of the Applicant Company as on 31st January, 2017. Certificate issued by the Chartered Accountant is marked as **Annexure-G.**

It is further stated that there is no Secured Loan Creditors in the Applicant Company as on 31st January, 2017 as certified by the Chartered Accountant shown as **Annexure-H.**

It is further stated that there are 7 Unsecured Loan Creditors in the Applicant Company as on 31st January, 2017 as certified by the Chartered Accountant shown as **Annexure-J.**

It is further stated that there are 6 Unsecured Loan Creditors in the Applicant Company as on 31st January, 2017 as certified by the Chartered Accountant shown as **Annexure-K.**

We have seen the consent affidavits filed by the Nine Equity shareholders shown as **Annexure- G series** i.e., (i) R. Guru, holding 1898 equity shares, constituting 8.99% of the paid-up capital, (ii) G.Pavan Ranga holding 4779 equity shares, constituting 22.66% of the paid-up capital, (iii) R.N.Murthy holding 1195 equity shares, constituting 5.66% of the paid-up capital, (iv) M. Arjun Ranga holding 2742 equity shares, constituting 13.00% of the paid-up capital, (v) M. Anirudh Ranga holding 2742 equity shares, constituting 13.00% of the




paid-up capital,(vi) V.Kiran Ranga holding 3340 equity shares, constituting 15.83% of the paid-up capital,(vii) V.Vishnudas Ranga holding 3339 equity shares, constituting 15.83% of the paid-up capital,(viii) R. Sridhar holding 633 equity shares, constituting 3.00% of the paid-up capital, (ix) S.Nikhil Ranga holding 422 equity shares, constituting 2.00% of the paid-up capital,

The Applicant is seeking an order to dispense with convening of the meeting of Secured Creditors on the ground that there are no Secured Creditors in the Applicant Company. The Chartered Accountant certified that there are no Secured Creditors shown as **Annexure-H.**

The Applicant is seeking an order to dispense with convening of the meeting of Unsecured Creditors (Unsecured Loan Creditors and Unsecured Trade Creditors) on the ground that there are only 7 Unsecured Loan Creditors in the Applicant Company. The Chartered Accountant certified that there are only 7 Unsecured Loan Creditors shown as **Annexure-J.** It is stated that, the value of amounts due to Unsecured Loan Creditors of the applicant company is Rs.71,00,000/- has given their consent to the Scheme by way of affidavit. We have seen the consent affidavits given by the Unsecured Loan creditors shown as **Annexure-J series.**

There are 6 Unsecured Trade Creditors in the applicant company. The Chartered Accountant certified that there are 6 Unsecured Trade Creditors in the Applicant Company. It is stated that, the value of amounts due to Unsecured Trade Creditors of the Applicant Company is Rs.2,29,95,769/- and 5 Unsecured Trade Creditors amounting to value of Rs.2,29,89,735/- which is 99.97% have given their consent to the scheme by way of affidavits. We have seen the consent affidavits given by the Unsecured Trade Creditors filed along with **memo dated 17th April, 2017.**

The Applicant Company is seeking an order to dispense with convening of meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors (Unsecured Loan creditors and Unsecured Trade Creditors) of the Applicant Company on the ground that, there are only 9 equity shareholders, No Secured Creditors, 7 Unsecured Loan Creditors and 6 Unsecured Trade Creditors. Nine Equity Shareholders and 99.97% of value of Unsecured Creditors (Unsecured Loan Creditors and Unsecured Trade Creditors) have given their consent by way of affidavits for the proposed scheme of arrangement.




We have heard the Counsel appearing for the Applicant Company. The Application is filed by the Applicant Company which is a Transferor Company No.3 for dispensing with the convening of meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors (Unsecured Loan Creditors and Unsecured Trade Creditors) of the Applicant Company for approving the Scheme of Arrangement where under Ripple Fragrances Exports Private Limited which is Transferor Company No.1 to be merged with Ripple Fragrances Private Limited which is Transferee Company No.1 and demerger of Sales and Marketing division of Ripple Fragrances Private Limited (Transferee Company No.1) & demerger of trading division of Rangsons Marketing Services Private Limited (Applicant/Transferor Company No.3) into N.Ranga Rao & Sons Private Limited in terms of Scheme of Arrangement shown as **Annexure-F**.

In the result, the application is allowed and holding of meeting of the Equity Shareholders and Unsecured Creditors (Unsecured Loan Creditors and Unsecured Trade Creditors) is dispensed with. In any eventuality when the Applicant Company approaches this Tribunal for seeking approval of the scheme it would be open for any person who is interested in the Scheme of Arrangement to put forth their contentions before the Tribunal.



(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL



(RATAKONDA MURALI)
MEMBER, JUDICIAL