

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

CSP No. 272 of 2017

And

CSP No. 271 of 2017

In the matter of Scheme of Arrangement  
between:

IIFL Facilities Services Limited, (formerly  
known as 'IIFL Realty Limited') ('the  
Demerged Company') and India Infoline  
Insurance Services Limited ('the Resulting  
Company') and their respective shareholders

**IIFL FACILITIES SERVICES LIMITED**

.....Petitioner/Demerged Company

**AND**

**INDIA INFOLINE INSURANCE SERVICES LIMITED**

.....Petitioner/Resulting Company

Judgment/Order delivered on 19<sup>th</sup> July, 2017

Coram: Hon'ble **B.S.V. Prakash Kumar**, Member (J)

Hon'ble **V. Nallasenapathy**, Member (T)

For the Petitioner(s): Mr. Hemant Sethi i/b Hemant Sethi & Co  
Mr. Ramesh Gholap, Assistant Director in the office of  
Regional Director

Per: **V. Nallasenapathy, Member (T)**

**Order**

1. Heard learned counsel for parties. No objector has come before this Hon'ble Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petition.
2. The sanction of the tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 to a Scheme of Arrangement between IIFL Facilities Services Limited, (formerly known as 'IIFL Realty Limited') ('the Demerged Company') and India Infoline Insurance Services Limited ('the Resulting Company') and their respective shareholders.

3. Learned counsel or the Petitioner Companies states that Demerged Company is engaged in the business of providing office and infrastructure related facility services mainly to group companies and providing property advisory, consultancy and allied services while the Resulting Company was a corporate insurance agent and is presently not engaged in any specific insurance related activity. The learned counsel for the Petitioners states that the demerger of 'Real Estate Advisory Services Undertaking' from IFSL into IISL would help to enhance operational, managerial, financial and technological efficiencies, Efficient utilization of capital and creation of stronger platform for the separate businesses; facilitating a focused strategy, direction and business planning to optimize operational, managerial, financial, technological and marketing capabilities of similar business; and access to varied sources of funds for rapid growth of both the business
4. The Petitioner Companies have approved the said Scheme of Arrangement by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.
5. The Learned Advocate appearing on behalf of the Petitioner Companies states that the Petitions have been filed in consonance with the order passed in Company Scheme Application Nos. 143 of 2017 of the National Company Law Tribunal dated 16<sup>th</sup> February, 2017 which is annexed as Exhibit E to the respective Company Scheme Petitions.
6. The Learned Advocate appearing on behalf of the Petitioners states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary Affidavits of compliance with Hon'ble Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted.
7. The Regional Director, Western Region, Mumbai in his Report dated 16 June, 2017 stating therein that save and except as stated in paragraph IV of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

Paragraph IV, of the said Report reads as follows:

1. *The tax implication if arising out of the scheme is subject to the final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Tribunal may not deter the Income Tax Authority to scrutinize the tax return*

*filed by the transferee Company after giving effect of the scheme. The decision of the Income tax authority is binding on the petitioner Company.*

- 2. It is submitted that the Petitioner Companies have not submitted the proof of serving notice upon the Income tax authorities.*

*In this regard petitioner has to submit the proof of serving the notice to Income Tax Authorities as per the provision of the Section 230(5) of the Act, 2013.*

- 3. Petitioner companies not submitted Minutes of Order for the record of Regional Director. In this regard petitioner to undertake submit minutes of order for the record of Regional Director.*

- 4. Petitioner Transferee Company into Insurance Agency business and not provided copy of serving notice to IRDA. In this regard petitioner to serve notice to IRDA and submit proof.*

- 5. Petitioner in clause 1.4 has inter alia mentioned that Real Estate Advisory Services undertaking means undertaking providing broking and advisory services with respect to real estate business. Whereas the petitioner has not served notice to the concerned regulator governing Real Estate (Regulation and Development) Act, 2016. In this regard petitioner to serve notice and submit the proof of serving the notice under section 230(5) of the Act, 2013.*

- 6. Petitioner company has not submitted declaration under section 248 of Companies Act, 2013*

8. As far as the observations made in paragraph IV (1) of the Report of Regional Director, the Petitioner Companies through their Counsel undertakes to comply with all applicable provisions of the Income-tax Act and all tax implications arising out of the Scheme of Arrangement will be met and answered in accordance with applicable law.

9. As far as the observations made in paragraph IV (2) of the Report of Regional Director, the Counsel for the Petitioners submit that the Petitioner Companies have served notice upon Income tax Authorities and the acknowledgment of the same forms a part of the petition which has been submitted with Regional Director's Office on 5<sup>th</sup> May, 2017.

10. As far as the observation of the Regional Director, as stated in paragraph IV (3) of his report are concerned, the Counsel for the Petitioners submit that minutes of order passed in CSA forms part of the petition which has already been submitted with Regional Director's Office on 5<sup>th</sup> May, 2017.
11. So far as observation of the Regional Director, as stated in paragraph IV (4) of his report is concerned, counsel for the Petitioners submit that the Petitioner/Resulting Company had surrendered its corporate agency issued by ICICI Prudential Life Insurance Company Limited and the same had also been intimated to IRDA vide letter dated August 13, 2008. In view of this, counsel for Petitioners submits that there is no need to serve notice to IRDA under section 230(5) of the Act.
12. In so far as the observations in paragraph IV (5) of the Report of the Regional Director is concerned, the learned Counsel for the Petitioners submit that the Real Estate (Regulation and Development) Act, 2016 was brought in force from May 1, 2016. As per the directions of this Tribunal dated 16<sup>th</sup> February, 2017, Petitioner Companies served notice to concerned regulators as per the directions of Hon'ble Tribunal. On that day, as Real Estate (Regulation and Development) Act, 2016 was not applicable, there arises no question of serving notice to such concerned regulator. The Learned Counsel further submits that Petitioner Resulting Company shall be filing its application for registration under Maharashtra Real Estate Regulatory Authority (MahaRERA) vide notification No. 23 dated March 08, 2017 within prescribed time in due course. The Counsel for the Petitioners clarify that all applicable provisions RERA would be complied by the Transferee Company to the extent applicable.
13. So far as the observation in paragraph IV (6) of the Report of the Regional Director is concerned, the letter received from the Regional Directors office did not ask for any such declaration, however the Petitioner Companies clarifies that the Petitioner Company is an operating Company and hence provisions of section 248(1) of the Companies Act, 2013 are not applicable.
14. The observations made by the Regional Director have been explained by the Petitioner in paragraphs 8 to 13 above. The clarifications and undertakings given by the Petitioner Companies are hereby accepted.

15. From the material on record, the Scheme appears to be fair, reasonable and is not violative to any provisions of law nor is contrary to public interest.
16. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition Nos. 272 are made absolute in terms of prayer clauses (a) to (d) and Company Scheme Petition No.273 is made absolute in terms of prayer clauses (a) and (b).
17. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with e-Form INC-28, in addition to physical copy, within 30 days from the date of receipt of the order by the Registry.
18. The Petitioner Companies to lodge a copy of this order and the Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, within a period of 60 days from the date of receipt of the order.
19. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the receipt of the order.
20. All authorities concerned to act on a copy of this order along with the Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench.
21. Liberty is granted to the person who is aggrieved by this order to come before this bench.

Sd/-

**V .Nallasenapathy Member (T)**

Sd/-

**B.S.V. Prakash Kumar , Member (J)**