

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

COMPANY SCHEME APPLICATION NO 597 (MAH) OF 2017

In the matter of the Companies Act, 2013;

AND

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

AND

In the matter of Scheme of Arrangement between Mangal Keshav Securities Limited And Mangal Keshav Financial Services Limited and their respective Shareholders

Mangal Keshav Securities Limited, }  
a Company incorporated under the provisions }  
of Companies Act, 1956 having its registered office }  
at 501, Heritage Plaza, J.P Road, }  
Opp. Indian Oil Colony, Andheri (W), }  
Mumbai – 400 053 }

...First Applicant Company

AND

Mangal Keshav Financial Services Limited, }  
a Company incorporated under the provisions }  
of Companies Act, 1956 having its registered office }  
at 501, Heritage Plaza, J.P Road, }  
Opp. Indian Oil Colony, Andheri (W), }  
Mumbai – 400 053 }

.....Second Applicant Company

Mr. Hemant Sethi i/b. Hemant Sethi & Co., Advocates for the Applicants

**Coram: Ina Malhotra, Member (Judicial)**

**Dated: 23<sup>rd</sup> day of June 2017**

**MINUTES OF THE ORDER**

1. The Counsel for the Applicants states that the present Scheme is an Arrangement between Mangal Keshav Securities Limited (“The Transferor Company”) And Mangal Keshav Financial Services Limited (“The Transferee Company”) and their respective Shareholders.
2. The Counsel for the Applicants further submit that the Transferor Company is engaged in the business of is primarily engaged in the business of stock broking and depository participant services and also holds investments in its wholly owned subsidiary company, Mangal Keshav Capital Limited. The Transferee Company is engaged in the business of and is registered with the Association of Mutual Funds in India and is engaged in distribution of third party mutual funds.
3. The rationale of the Scheme of Arrangement is achieving the following business and commercial objectives:

*a. The Transferor Company, MKSL, is primarily engaged in the following business activities :*

<i>Segment</i>	<i>Activities covered</i>
<i>Broking</i>	<i>Stock broking, depository participant and investment advisory services including broking income on market transactions done on behalf of clients, interest on delayed payments, depository participant income and interest on fixed deposits/intra group advances.</i>
<i>Treasury</i>	<i>Deployment of funds in liquid/treasury mutual funds.</i>
<i>Investment</i>	<i>Stake holding investments in subsidiaries</i>



Securities Limited And Mangal Keshav Financial Services Limited and their respective Shareholders.

6. That at least one month before the said Meetings of the Shareholders of the First and Second Applicant Company to be held as aforesaid, a notice convening the said Meeting at the place date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 notified on 14<sup>th</sup> December 2016 and the prescribed Form of Proxy, shall be sent by Hand Delivery / Courier / Registered Post / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the First and the Second Applicant Company for the purpose of receiving such notices by email), addressed to each of the Shareholders of the First and the Second Applicant Company, at their last known address or email addresses as per the records of the Applicant Company.
7. That at least one month before the meetings of the Shareholders of the First and Second Applicant Company to be held as aforesaid, a notice convening the said Meetings, indicating the place, date and time of meeting as aforesaid be published and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the Form of Proxy can be obtained free of charge at the Registered Office of the First and Second Applicant Company as aforesaid and / or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 NavParmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.
8. That the Notice of the Meetings shall be advertised in two local newspapers viz. “Free Press Journal”, in English and “Navshakti”, in Marathi having circulation in Mumbai not less 30 days before the date fixed for the meeting.

9. That Mr. Ajay Shah, Director of the First Applicant Company, and failing him, Mr. Sujay Shah, also a Director of the First Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the First Applicant to be held at 501, Heritage Plaza, J.P Road, Opp. Indian Oil Colony, Andheri (W), Mumbai – 400 053, Maharashtra, on 1<sup>st</sup> August 2017 at 11am or any adjournment or adjournments thereof.
10. That Mr. Ajay Shah, Director of the Second Applicant Company, and failing him, Mr. Sujay Shah, also a Director of the Second Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Second Applicant Company to be held at 501, Heritage Plaza, J.P Road, Opp. Indian Oil Colony, Andheri (W), Mumbai – 400 053, Maharashtra on 1<sup>st</sup> August 2017 at 12 Noon or any adjournment or adjournments thereof.
11. That the Chairman appointed for the aforesaid Meetings to issue the advertisement and send out the notices of the Meetings referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act 2013 in relation to the conduct of the meetings, including for deciding procedural questions that may arise or at any adjournment thereof or resolution, if any, proposed at the meetings by any person(s).
12. That the quorum of the aforesaid meetings of the Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
13. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form / authorization duly signed by the person entitled to attend and vote at the meetings, are filed with the First and Second Applicant Company at its Registered Office at 501, Heritage Plaza, J.P Road, Opp. Indian Oil Colony, Andheri (W), Mumbai – 400 053, Maharashtra, not later than 48 hours before the aforesaid meetings.
14. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First and Second Applicant Company or depository records and where the entries in the books / register / depository records

are disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meetings and his decision in that behalf would be final.

15. That M/s Ashita Kaul and Associates, is hereby appointed as Scrutinizers of the meetings of the Equity shareholders of the First and Second Applicant Company proposed to be held on 1<sup>st</sup> August 2017 at 501, Heritage Plaza, J.P Road, Opp. Indian Oil Colony, Andheri (W), Mumbai – 400 053, Maharashtra and his remuneration is fixed as Rs. 5,000/- .
16. That the Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and do report this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.
17. That the Chairman of the meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.
18. The First and Second Applicant Company is directed to serve notices along with copy of scheme upon:- (i) concerned Income Tax Authority with in whose jurisdiction the First Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies, Mumbai , (iv) the National Stock Exchange of India (v) to the Securities and Exchange Board of India with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the First Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.
19. The Counsel for the First and Second Applicant Company further submits there are no Secured Creditors in the First and Second Applicant Company therefore the question of giving notices does not arise. The Counsel for the Applicants submit that since the Scheme is an arrangement between the Applicant Companies and their respective shareholders only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act

2013. This bench hereby directs the First and Second Applicant Company to issue notice to all its Unsecured Creditors under Section 230(3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company.

20. The First and Second Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the shareholders, Creditors, publication of notices in newspapers and to the regulatory authorities as stated in clauses 18 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

**Ina Malhotra, Member (Judicial)**