

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

COMPANY SCHEME APPLICATION NO 643 (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 of TJ Stock Broking Services Private Limited (“The Demerged Company/Transferor Company 1”) and Trimbhak Investment & Finance Services Private Limited (“The Resulting Company”) and Mc Jain Infoservices Private Limited (“The Transferor Company 2”) and Rajtaru Commex Services Private Limited (“The Transferee Company”) and their respective shareholders and creditors

TJ Stock Broking Services Private Limited, a company }
incorporated under the provisions of Companies Act, 1956 }
having its registered office at 2nd Floor Rajabahadur }
Mansion homi Modi X Lane No 2 Fort, Mumbai, }
Maharashtra - 400023 India }... First Applicant
(Demerged Company/
Transferor Company 1)

Mc Jain Infoservices Private Limited, a company }
incorporated under the provisions of Companies Act, 1956 }
having its registered office at 803, Unique Tower, }
Off S. V. Road, Goregaon (West), Mumbai }
Maharashtra - 400062 India }... Second Applicant
(Transferor Company 2)

Rajtaru Commex Services Private Limited, a company }
incorporated under the provisions of Companies Act, 1956 }
having its registered office at 803, Unique Tower, }
Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai }
Maharashtra - 400062 India }... Third Applicant
(Transferee Company)

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

Coram: B.S.V. Prakash Kumar, Member (Judicial)

V. Nallasenapathy, Member (Technical)

Dated: 28th day of June 2017

MINUTES OF THE ORDER

1. The Counsel for the Applicants states that the present Scheme is an Arrangement amongst TJ Stock Broking Services Private Limited (“The Demerged Company/Transferor Company 1”) and Trimbhak Investment & Finance Services Private Limited (“The Resulting Company”) and Mc Jain Infoservices Private Limited (“The Transferor Company 2”) and Rajtaru Commex Services Private Limited (“The Transferee Company”) and their respective shareholders and creditors (“Scheme”). This Scheme provides for the demerger of the Broking business undertaking from the Demerged Company to the Resulting Company and amalgamation of the Transferor Companies with and into Transferee Company.
2. The Counsel for the Applicants further submits that the First Applicant Company is engaged in the business of investment in securities including dealing for own account through registered dealers and security dealing activities as a registered broker with the Bombay Stock Exchange Limited. The Resulting Company is also engaged in similar business and is a registered broker with National Stock Exchange of India Limited. Further, the Second Applicant Company and the Third Applicant Company are only engaged in the business of investment in securities including dealing for own account through registered dealers.
3. The Counsel for the Applicants further submits the rationale for the Scheme is to consolidate the business, ensure better business focus and would lead to the following benefits:
 - a. *Simplification of the group structure and business expansion;*
 - b. *Reduction of administrative, operative and marketing costs; and*
 - c. *Ability to leverage financial and operational resources, organizational efficiency and optimal utilization of various resources.*

Accordingly the Scheme is considered desirable, and to be in interest of companies, their respective shareholders and other stakeholders (including employees) and would benefit all the stakeholders.
4. That the meeting of the Equity Shareholders of the First Applicant Company be convened and held at its registered office at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 on 14th August, 2017 at 10:00 A.M. for the purpose of considering and, if thought fit, approving

with or without modification(s) the proposed Scheme of Arrangement amongst TJ Stock Broking Services Private Limited (“The Demerged Company/Transferor Company 1”) and Trimbhak Investment & Finance Services Private Limited (“The Resulting Company”) and Mc Jain Infoservices Private Limited (“The Transferor Company 2”) and Rajtaru Commex Services Private Limited (“The Transferee Company”) and their respective shareholders and creditors.

5. That the meeting of the Equity Shareholders of the Second Applicant Company be convened and held at its corporate office at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 11:00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement amongst TJ Stock Broking Services Private Limited (“The Demerged Company/Transferor Company 1”) and Trimbhak Investment & Finance Services Private Limited (“The Resulting Company”) and Mc Jain Infoservices Private Limited (“The Transferor Company 2”) and Rajtaru Commex Services Private Limited (“The Transferee Company”) and their respective shareholders and creditors.
6. That the meeting of the Preference Shareholders of the Second Applicant Company be convened and held at its corporate office at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 12:00 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement amongst TJ Stock Broking Services Private Limited (“The Demerged Company/Transferor Company 1”) and Trimbhak Investment & Finance Services Private Limited (“The Resulting Company”) and Mc Jain Infoservices Private Limited (“The Transferor Company 2”) and Rajtaru Commex Services Private Limited (“The Transferee Company”) and their respective shareholders and creditors.
7. That the meeting of the Equity Shareholders of the Third Applicant Company be convened and held at its corporate office at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 1:00 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement amongst TJ Stock Broking Services Private Limited (“The Demerged Company/Transferor Company 1”) and Trimbhak Investment & Finance Services

Private Limited (“The Resulting Company”) and Mc Jain Infoservices Private Limited (“The Transferor Company 2”) and Rajtaru Commex Services Private Limited (“The Transferee Company”) and their respective shareholders and creditors.

8. That at least one (1) month before the said Meetings of the Equity Shareholders of the First, Second and Third Applicant Company and the meeting of the Preference Shareholders of the Second Applicant Company to be held as aforesaid, a notice convening the said Meetings 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 14th December, 2016 and the prescribed Form of Proxy, shall be sent by Courier / Registered Post / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the First, Second and the Third Applicant Company for the purpose of receiving such notices by email), addressed to each of the Shareholders of the First, Second and the Third Applicant Company, at their last known address or email addresses as per the records of the concerned Applicant Company.
9. That at least one month before the meetings of the Shareholders of the First Applicant Company, Second Applicant Company and Third 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, Second and Third Applicant Company as aforesaid and/ or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.
10. That the Notice of the Meeting of the First Applicant Company, Second Applicant Company and the Third Applicant Company shall be advertised jointly in two local newspapers viz. “Free Press Journal” in English and “Navshakti” in Marathi, both circulated in Mumbai, not less thirty (30) days before the date fixed for the meeting.

11. That Mr. Kamal Jain, Director of the First Applicant Company, and failing him, Mr. Ashwin Trivedi shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the First Applicant Company to be held at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 10:00 A.M. or any adjournment or adjournments thereof.
12. That Mr. Kamal Jain, Director of the Second Applicant Company, and failing him, Mr. Ashwin Trivedi shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Second Applicant Company to be held at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 11:00 A.M. or any adjournment or adjournments thereof.
13. That Mr. Kamal Jain, Director of the Second Applicant Company, and failing him, Mr. Ashwin Trivedi shall be the Chairman of the aforesaid meeting of the Preference Shareholders of the Second Applicant Company to be held at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 12:00 P.M. or any adjournment or adjournments thereof.
14. That Mr. Ashwin Trivedi, Director of the Third Applicant Company, and failing him, Mr. Kamal Jain shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Second Applicant Company to be held at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, on 14th August, 2017 at 1:00 P.M. or any adjournment or adjournments thereof.
15. 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 at the meetings or at any adjournment thereof or resolution, if any, proposed at the meetings by any person(s).

16. That the quorum of the aforesaid meetings of the Equity and Preference Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
17. 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, Second and the Third Applicant Company at their respective Registered Office(s) at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, not later than forty eight (48) hours before the aforesaid meetings.
18. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First Applicant Company, Second Applicant Company and Third 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.
19. That Ms. Abha Jain, and failing her Ms. Rajni Jain is hereby appointed as Scrutinizer of the meeting of the Equity Shareholders of the First Applicant Company proposed to be held on 14th August, 2017 at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, at 10:00 A.M. and her remuneration is fixed as Rs. 5000/- (Rupees Five Thousand only).
20. That Ms. Abha Jain, and failing her Ms. Rajni Jain is hereby appointed as Scrutinizer of the meeting of the Equity Shareholders of the Second Applicant Company proposed to be held on 14th August, 2017 at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, at 11:00 A.M. and her remuneration is fixed as Rs. 5000/- (Rupees Five Thousand only).
21. That Ms. Abha Jain, and failing her Ms. Rajni Jain is hereby appointed as Scrutinizer of the meeting of the Preference Shareholders of the Second Applicant Company proposed to be held on 14th August, 2017 at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062

India, at 12:00 A.M. and her remuneration is fixed as Rs. 5000/- (Rupees Five Thousand only).

22. That Ms. Abha Jain, and failing her Ms. Rajni Jain is hereby appointed as Scrutinizer of the meeting of the Equity Shareholders of the Third Applicant Company proposed to be held on 14th August, 2017 at 803, Unique Tower, Caiwadi Street, Off S. V. Road, Goregaon (West), Mumbai Maharashtra - 400062 India, at 1:00 P.M. and her remuneration is fixed as Rs. 5000/- (Rupees Five Thousand only).

23. That the Chairman is directed to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and to report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.

24. That the Chairman of the meetings is directed to report to this Tribunal, the results of the aforesaid meetings within thirty (30) days of the conclusion of the meetings.

25. The First Applicant Company, Second Applicant Company and the Third Applicant Company is directed to serve notices along with copy of scheme upon:- (i) concerned Income Tax Authority with in whose jurisdiction the First, Second and Third Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies (iv) Securities Exchange and Board of India and (v) BSE Limited, with a direction that they may submit their representations, if any, within a period of thirty (30) 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, Second Applicant Company and Third Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

26. The First and the Second Applicant Company are also directed to serve notice along with copy of scheme upon Official Liquidator. M/s Yogesh A. Oza & Co., Chartered Accountants, are appointed to assist the Official Liquidator to scrutinize books of accounts of the First and Second Applicant Company for the last five (5) years. The Transferee Company to pay fees of Rs. 100,000/-.

27. The Counsel for the First Applicant Company submits that there are no Secured Creditors in the First Applicant Company, therefore the question of sending notices to the Secured Creditors does not arise. The Counsel for the First Applicant Company further submits that since the Scheme is an arrangement between the First Applicant Company and its 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 Applicant Company to issue notice to all its Unsecured Creditors having an outstanding balance of greater than Rs. 1,00,000 (Rupees One lakh) as on May 31, 2017 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 First Applicant Company.
28. The Counsel for the Second Applicant Company submits that there are no Secured Creditors in the Second Applicant Company, therefore the question of sending notices to the Secured Creditors does not arise. The Counsel for the Second Applicant Company further submits that since the Scheme is an arrangement between the Second Applicant Company and its shareholders only a meeting of the Equity and Preference 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 Second Applicant Company to issue notice to all its Unsecured Creditors as on May 31, 2017 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 Second Applicant Company.
29. The Counsel for the Third Applicant Company submits that there are no Secured Creditors in the Third Applicant Company, therefore the question of sending notices to the Secured Creditors does not arise. The Counsel for the Third Applicant Company further submits that since the Scheme is an arrangement between the Third Applicant Company and its shareholders and 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 Third Applicant Company to issue notice to all its Unsecured Creditors as on May 31, 2017 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 Third Applicant Company.

30. The First Applicant Company, Second Applicant Company and the Third 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 clause 25 and 26 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kuṃar, Member (J)