

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

COMPANY SCHEME APPLICATION NO 499 OF 2017

In the matter of the Companies Act, 2013

And

In the matter of Section 230 to Section 232 and applicable
provisions of Companies Act, 2013

And

In the matter of Scheme of Arrangement between Edelweiss
Business Services Limited (“Demerged Company” or
“EBSL”) and Edelcap Securities Limited (“Resulting
Company” or “ESL”) and their respective Shareholders
 (“Scheme”)

EDELWEISS BUSINESS SERVICES)

LIMITED, a company incorporated under)

the provisions of the Companies Act, 1956)

with its Corporate Identity Number-)

U65990MH2005PLC154276 and having its)

registered office at Edelweiss House, Off.)

C.S.T Road, Kalina, Mumbai – 400098,)

Maharashtra

).....Applicant Company

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

CORAM: B.S.V. Prakash Kumar, Member (J)

V. Nallasenapathy, Member (T)

DATE: 20th April, 2017

MINUTES OF THE ORDER

1. The present Scheme is an arrangement which inter alia proposes for the demerger of the Capital based business of the Applicant Company (“**the Demerged Undertaking**”) and vesting of the same with the Resulting Company as at the Appointed Date of 1st April, 2016. The Applicant Company (formerly known as Edelweiss Web Services Limited) is currently engaged in the business of (a) Capital based business (b) Agency Business and (c) Business Support services.

2. Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company pursuant to this Scheme shall, inter alia, result in following benefits:

- (i) Stronger business focus on individual businesses as the business risks and growth strategies related to these businesses are significantly different;
- (ii) More focused management and greater visibility on the performance of individual businesses;
- (iii) Enable unlocking of value of the businesses, as and when required and desired;
- (iv) Building strong capability to effectively meet future challenges in competitive business environment;
- (v) Facilitate investment and strategic partnership for individual businesses;
- (vi) Synergy of the combined strength of Capital based business

The proposed demerger is expected to be beneficial to Demerged Company and Resulting Company and their respective shareholders, creditors and all other stakeholders and will enable Demerged Company and Resulting Company to achieve and fulfil their objectives more efficiently and economically.

3. That the meeting of the Equity shareholders of the Applicant Company be convened and held at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400098 on Tuesday, May 30, 2017 at 11:00 A.M and meeting of the Preference shareholder be convened and held at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai- 400098 on Tuesday, May 30, 2017 at 12:00 Noon, for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement between Edelweiss Business Services Limited (“the Demerged Company” or “EBSL”) and Edelcap Securities Limited (“the Resulting Company” or “ESL”) and their respective shareholders (“Scheme”).

4. That at least one month before the said meetings of the Equity shareholders and Preference shareholders of the 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) Rules, 2016 notified on 14th of December 2016 along with the prescribed Form of Proxy, shall be sent by Hand Delivery / Post / Courier or through Email (to those shareholders whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices by email), addressed to each of the Equity shareholders and Preference shareholders of the Applicant Company, at their last known address or email addresses as per the records of the Applicant Company and / or Depositories.
5. That at least one month before the meetings of the Equity shareholders and the Preference shareholder of the Applicant Company, to be held as aforesaid, a notice convening the said meeting, indicating the place, date and time of meeting as aforesaid be published and advertised by the Applicant Company in two local newspapers viz. "Free Press Journal" in English and "Navshakti" in Marathi, both circulated in Mumbai 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) Rules, 2016 along with the Form of Proxy can be obtained free of charge at the Registered Office of the 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.
6. That Dilip Bharadiya and Associates, Practicing Company Secretary and failing him Mr. Mukesh Siroya, Practicing Company Secretary is hereby appointed as Scrutinizer of the meetings of Equity shareholders and preference shareholders of

the Applicant Company to be convened for the purpose or any adjournment or adjournments thereof.

7. That Mr. Phanindranath Kakarla, Director of Applicant Company, and in his absence Ms. Kalpana Maniar, Director of Applicant Company, and in her absence Mr. Ajay Manglunia, Director of Applicant Company, shall be the Chairperson of the aforesaid meetings of the Equity shareholders and Preference shareholders to be held at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai- 400098 on Tuesday, May 30, 2017 at 11:00 A.M and 12.00 Noon respectively or any adjournment or adjournments thereof.
8. That in connection with the meetings of the Equity shareholders and Preference shareholders of the Applicant Company, voting shall be allowed on the proposed Scheme by voting in person or by proxy. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorisation duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at their Registered Office not later than 48 hours before the aforesaid meetings.
9. That the Chairperson of the respective meetings of Applicant Company, 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.
10. That the Chairperson of the meetings of Applicant Company to report to this Tribunal, the results of the aforesaid meeting within thirty days of the conclusion of the meetings.
11. That the quorum of the aforesaid meeting of the Equity shareholders of Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.

12. That the quorum of the aforesaid meeting of the Preference shareholders of Applicant Company shall be 1 (one) as there is only one Preference shareholder in the Applicant Company.
13. That Counsel for the Applicant submits that there are no Secured Creditors in the Applicant Company, therefore the question of sending notices to secured creditors does not arise. That Counsel for the Applicant Company submit that since the Scheme is an arrangement between the Applicant Company and the Resulting Company and their respective shareholders, only meeting of the Equity shareholders and Preference shareholders are proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013. This bench hereby directs the Applicant Company to serve individual notices of the meeting of the Equity shareholders to all its Unsecured Creditors as on February 28, 2017 as required under section 230(3) of the Companies Act 2013 by Hand delivery/ Post/ Courier / Email 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.
14. That the Applicant Company is directed to serve notice of equity shareholders along with copy of scheme upon:- (i) concerned Income Tax Authority within whose jurisdiction the Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai and (iii) Registrar of Companies, Mumbai with an intimation that they may, if they so wish, submit their representations, if any, within a period of thirty days from the date of receipt of such notice with the Tribunal with copy of such representations simultaneously served upon the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposed arrangement embodied in the Scheme.

15. That the Applicant Company is directed to file affidavit of service in the Registry proving dispatch of notices upon shareholders, unsecured creditors, publication of notices in newspapers and all Regulatory authorities as stated in clause 14 above.

Sd/-

V. Nallasenapathy, Member (T)

Sd/-

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