

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, MUMBAI  
TRANSFER COMPANY SCHEME PETITION NO. 120 OF 2017  
CONNECTED WITH  
HIGH COURT COMPANY SUMMONS FOR DIRECTION NO. 617 OF 2016**

RW Brands Private Limited

.....Petitioner Company/  
Transferor Company No.1

AND

**TRANSFER COMPANY SCHEME PETITION NO. 121 OF 2017  
CONNECTED WITH  
HIGH COURT COMPANY SUMMONS FOR DIRECTION NO. 618 OF 2016**

Samarpan Consultancy Private Limited

.... Petitioner Company/  
Transferor Company No.2

AND

**TRANSFER COMPANY SCHEME PETITION NO. 122 OF 2017  
CONNECTED WITH  
HIGH COURT COMPANY SUMMONS FOR DIRECTION NO. 619 OF 2016**

Nine International Securities Private Limited

..... Petitioner Company/  
Transferee Company

In the matter of the Companies Act, 1956 (1 of 1956)  
(or re-enactment thereof upon effectiveness of  
Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies  
Act, 1956 (or any corresponding provision of  
Companies act, 2013 as may be notified);

AND

In the matter of Scheme of Amalgamation of RW  
Brands Private Limited

AND

Samarpan Consultancy Private Limited

WITH

Nine International Securities Private Limited

AND

their shareholders and creditors

**Called for Hearing**

Ms. Shruti Kelji a/w. Ms. Sunila Chavan and Ameya Lambhate, Advocates for the  
Petitioner.

Mr. S. Ramakantha, Joint Director for the Regional Director.

**CORAM: B. S. V. Prakash Kumar, Member (Judicial)**  
**V. Nallasenapathy, Member (Technical)**

DATE: 16<sup>th</sup>February, 2017

1. Heard Advocate for the parties. Neither any objector has come before the Hon'ble Tribunal to oppose the Scheme of Amalgamation nor has any party controverted any averments made in the Petitions.
2. The sanction of the Hon'ble Tribunal is sought under Section 230 to 232 of the Companies Act, 2013 to the Scheme of Amalgamation RW Brands Private Limited and Samarpan Consultancy Private Limited with Nine International Securities Private Limited and their shareholders and creditors.
3. The Learned Advocate for the Petitioners state that the First Transferor Company is engaged in business of consultancy and advisory in relation to Brand Management and Second Transferor Company is engaged in business of management consulting and investment and Transferee Company is engaged in the business of consultancy and advisory in relation investment, rental income and investment related income in the nature of dividend and capital gain.
4. The Learned Advocate for the Petitioners state that the Transferor Companies and the Transferee Company are engaged in the same line of business and are being managed and owned by the same management and in order to reduce the cost of managing three different companies and to make the management of the business operations of the companies more effective, it is proposed to amalgamate the Transferor Companies with the Transferee Company and it will make available to the Undertaking of the Transferor Companies, the benefit of financial resources, and managerial, technical and marketing expertise of the Transferee Company and the amalgamation would bring in greater economies in scale of operations and will help in reducing expenditure considerable and the amalgamation will be conducive to better and more efficient and economic control and conduct of the business of the Transferee Company and there will be

operational synergy in terms of procurement benefits, common license and reduction of administration work etc., for the Transferee Company and the Transferee Company will have the benefit of the combined assets, manpower and cash flows of both the companies and with the enhanced capabilities and resources at its disposal, the Transferee Company will have greater flexibility to market and meet consumer needs more effectively.

5. The Learned Advocate for the Petitioner states that the Board of Directors of the Petitioner Companies have approved the said Scheme of Amalgamation by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.
6. The Learned Advocate for the Petitioners further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Directions and that the Company Scheme Petitions have been filed in consonance with the Orders passed in respective Company Summons for Directions.
7. The Learned Advocate appearing on behalf of the Petitioner Companies have stated that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Bombay High Court and they have filed necessary affidavit of compliance in the Hon'ble Bombay High Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made there under whichever is applicable. The said undertakings given by the Petitioner Companies are accepted.
8. The Official Liquidator has filed his report dated 23<sup>rd</sup> November, 2016 in the High Court Company Scheme Petition No.617 of 2016 and High Court Company Scheme Petition No.618 of 2016 stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved.
9. The Regional Director has filed a Report dated 8<sup>th</sup> February, 2017 stating therein save and except as stated in para IV (a) to (c) it appears that the Scheme is not prejudicial to the interest of shareholders and public. In Paragraph IV of the said Affidavit, the Regional Director has stated that:

- a) *In addition to compliance of AS-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 etc. and ensure that the Financial Statement of the Transferee Company does not impair the true and fair view of the Financial Statements of the Transferee Company after post-amalgamation.*
  - b) *As per present followed practice, the Petitioner Companies are required to serve Notice for Scheme of Arrangement to the Income Tax Department for their comments on the Scheme and to submit the acknowledgement to this Directorate. No such acknowledgement has been submitted by the Petitioner Companies.*
  - c) *The tax implication, if any arising out of the Scheme is subject to final decision of Income Tax authorities. The approval of the Scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the Tax Return filed by the Transferee Company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.*
10. As far as the observations made in paragraph IV (a) of the Report of the Regional Director is concerned, the Petitioner Companies undertakes that in addition to compliance of Accounting Standards 14, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme of Amalgamation to comply with any other applicable accounting standards including Accounting Standard-5 and also undertakes that the Financial Statement of the Transferee Company will not impair the true and fair view of the Financial Statements of the Transferee Company post-amalgamation.
11. As far as the observations made in paragraph IV (b) of the Report of the Regional Director is concerned, the Petitioner Companies states that the pursuant to the Hon'ble Bombay High Court's order dated 1<sup>st</sup> September, 2016, notice of hearing of the Petition has been served upon the concerned Income Tax Department on 26<sup>th</sup> September, 2016 and its postal tracking report has been filed with Affidavit of Service dated 6<sup>th</sup> October, 2016. A copy of the said Affidavit of Service has been filed vide the Transferee

Company's letter dated 24<sup>th</sup> November, 2016 with the Regional Director's office on 6<sup>th</sup> December, 2016 (para 5(c)).

12. As far as the observations made in paragraph IV(c) of the Report of the Regional Director is concerned, the Petitioner Companies are bound to comply with all applicable provisions of the Income Tax Act, and all tax issues arising out of scheme will be met and answered in accordance with law.
13. Mr. S. Ramakantha, Joint Director, in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, are satisfied with the undertaking given by the Petitioner Companies. The said undertaking given by the Petitioner Companies are accepted.
14. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
15. Since all the requisite statutory compliances have been fulfilled, the Transfer Company Scheme Petition No.120 of 2017 and Transfer Company Scheme Petition No.121 of 2017 filed by the Petitioner Companies are made absolute in terms of prayer clauses (a) to (c) and Transfer Company Scheme Petition No.122 of 2017 filed by the Petitioner Company is made absolute in terms of prayer clauses (a) and (b).
16. The Petitioner Companies are directed to lodge a copy of this order and the Scheme duly authenticated by the Registrar, National Company Law Tribunal, Mumbai Bench, Mumbai with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the receipt of the order.
17. The Petitioner Companies are further directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28 in addition to physical copy, as per the relevant provisions of the Companies Act, 2013.
18. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region Mumbai in Transfer Company Scheme Petition No.120 of 2017 to Transfer Company Scheme Petition No.122 of 2017 and costs of Rs. 25,000/- each to the Official Liquidator, High Court, Bombay in

Transfer Company Scheme Petition No.120 of 2017 to Transfer Company Scheme Petition No.121 of 2017. Costs to be paid within four weeks from the date of the Order.

19. Filing and issuance of the drawn up order is dispensed with.
20. All concerned regulatory authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar, National Company Law Tribunal, Mumbai Bench, Mumbai.

Sd/-

**B. S. V. PRAKASH KUMAR**  
Member (Judicial)

Sd/-

**V. NALLASENAPATHY**  
Member (Technical)