

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

**CSA NO. 1098 OF 2017**

In the matter of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between  
Chartered Finance Management Limited (the  
Demerged Company) with CFM Advisors Private  
Limited (the Resulting Company) and their  
respective Shareholders;

And

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

Chartered Finance Management Limited, a )  
company incorporated under the Companies )  
Act, 1956 having its Registered Office at )  
201, Wakefield House, Sprott Road, )  
Mumbai 400038. )

CIN: U99999MH1999PLC122702. )... First Applicant Company  
(Demerged Company )

CFM Advisors Private Limited, a company )  
incorporated under the Companies Act, 1956 )  
having its Registered Office at 33, Sharda )  
Sadan 11, S. A. Brelvi Road, Fort, Mumbai )  
400001 )

CIN: U74120MH2012PTC231031.

) ... Second Applicant Company.

(Resulting Company)

Order delivered on 12<sup>th</sup> day of January, 2018

Coram:

Hon'ble :**M.K.SHRAWAT, Member (J)**

Hon'ble :**BHASKARA PANTULA MOHAN, Member (J)**

Mr. Hemant Sethi i/b I.Qureshi & Associates, Chartered Accountants for the First Applicant Company and the Second Applicant Company.

Per: **Bhaskara Pantula Mohan, Member (J)**

**Order**

1. The present Scheme provides for demerger and transfer of the business of the advisory and debt syndication services (Demerged Undertaking) of Chartered Finance Management Limited ('the Demerged Company' or 'the First Applicant Company') to CFM Advisors Private Limited ('the Resulting Company' or 'the Second Applicant Company') and various other matters consequential to the demerger or otherwise integrally connected therewith. The Learned Counsel for the Applicant Companies states that the First Applicant Company is engaged in the business of advisory and debt syndication services, Merchant Banking services and Power generation. The Second Applicant Company has been incorporated with the main objects for undertaking the business of consultancy and advisory services.
2. The rationale for the Scheme is to achieve the following benefits:
  - a) The business of advisory and debt syndication services can be undertaken more conveniently with greater focus and attention through a separate company. Independent setup will ensure required depth and focus and adoption of strategies necessary for the growth of the respective Company. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses;

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- b) The transfer of Demerged Undertaking of the Demerged Company to the Resulting Company would assist in induction of joint venture partner/strategic investor/ financial investor in the Resulting Company and pursue inorganic and organic growth opportunities in such businesses;
  - c) The restructuring under this Scheme would enable focused business approach for maximization of benefits to all stakeholders and capitalize on the opportunity for the growth.
3. The meeting of the Equity Shareholders of the First Applicant Company be convened and held at 201, Wakefield House, Sprott Road, Mumbai 400038 on Tuesday 20<sup>th</sup> day of February, 2018 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 between Chartered Finance Management Limited, the Demerged Company and CFM Advisors Private Limited, the Resulting Company.
  4. The meeting of the Equity Shareholders of the Second Applicant Company be convened and held at 33, Sharda Sadan 11, S. A. Brelvi Road, Fort, Mumbai 400001 — on Tuesday 20<sup>th</sup> day of February, 2018 at 4.00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Chartered Finance Management Limited, the Demerged Company and CFM Advisors Private Limited, the Resulting Company.
  5. That at least one month before the said meeting of the Equity Shareholders of the First and the Second Applicant Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time aforesaid, together with a copy of the Scheme, a copy of the Statement disclosing all material facts as required under section 230(3) of the Companies Act, 2013 read with Rule 6 of the Company (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14<sup>th</sup> December, 2016 and the prescribed Form of Proxy, shall be sent by Registered Post/ Speed Post or through Email (to those Equity shareholders whose email addresses are duly registered with the Applicant Companies for the purpose of receiving such notices by email), addressed to each Equity Shareholder of the First and the Second Applicant Company, at their last known address or email address as per the records of the Applicant Companies.



6. That at least one month before the said meeting of the Equity Shareholders of the First and the Second Applicant Company to be held as aforesaid, a notice convening the said meeting indicating the place, day, date and time of Meeting as aforesaid, be published and stating that copies and the statement of the Scheme required to be published under section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Form of Proxy can be obtained free of charge at the Registered office of the First and the Second Applicant Company as aforesaid.
7. That the Notice of the meeting of the Equity shareholders shall be advertised in two local newspapers viz. in "Free Press Journal" in English and "Navshakti" in Marathi, both circulated in Mumbai, not less than 30 days before the date fixed for the meeting.
8. That Mr. Omprakash Porwal, Director of the First Applicant Company, and failing him Mr. Arvind K. Bhanushali, Director of the First Applicant Company shall be the Chairman/ Chairperson for the aforesaid meeting of Equity Shareholders to be held at 201, Wakefield House, Sprott Road, Mumbai 400038 on Tuesday, 20<sup>th</sup> day of February, 2018 at 11.00 a.m. or any adjournment or adjournments thereof.
9. That Mr.D.P.Nair, Practising Chartered Accountant, is hereby appointed as Scrutinizers of the meeting of Equity Shareholders of the First Applicant Company to be held at 201, Wakefield House, Sprott Road, Mumbai 400038 on Tuesday 20<sup>th</sup> day of February ,2018 at 11.00 a.m. or any adjournment or adjournments thereof and his remuneration is fixed as Rs.1000/-.
- 10 That Mr. Omprakash Porwal, Director of the Second Applicant Company, and failing him Mr. Arvind K.Bhanushali, Director of the Second Applicant Company shall be the Chairman/ Chairperson for the aforesaid meeting of Equity Shareholders to be held at 33, Sharda Sadan 11, S. A. Brelvi Road, Fort, Mumbai 400001 on \_\_\_\_\_ Tuesday 20<sup>th</sup> day of February, 2018 at 4.00 p.m. or any adjournment or adjournments thereof.

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11. That Mr.D.P.Nair, Practising Chartered Accountant, is hereby appointed as Scrutinizers of the meeting of Equity Shareholders of the Second Applicant Company to be held at 33, Sharda Sadan 11, S. A. Brelvi Road, Fort, Mumbai 400001 on Tuesday 20<sup>th</sup> day of February,2018 at 4.00 p.m. or any adjournment or adjournments thereof and his remuneration is fixed as Rs.1000/-.
12. That the Chairman appointed for the aforesaid meeting of the Equity shareholders of the First and the Second Applicant Company to issue advertisement and send out the notices of the meeting referred to above. The said Chairman shall have all the powers as per the Articles of Association and also under the Companies Act, 2013 in relation to the conduct of meeting, including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
13. The quorum for the aforesaid meeting of the Equity Shareholders of the First and the Second Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.
14. The voting by proxy or authorised 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 its Registered Office not later than, 48 hours before the aforesaid meetings.
15. The value and number of the shares of each Equity shareholder shall be in accordance with the books/ register of the First and the Second Applicant Company and where the entries in the books/ register are disputed, the Chairman of the Meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
16. That the Chairman to file an affidavit before the Tribunal not less than seven (7) days for the holding of the meeting of the Equity shareholders and do report to this Tribunal that the directions regarding the issue of notices and the advertisement have been duly complied with.



17. That the Chairman of the meeting of the Equity shareholders to report to this Tribunal, the results of the aforesaid meetings within fifteen days of the conclusion of the meeting.
18. The First and the Second Applicant Company is directed to serve notices along with copy of the Scheme upon:- (i) concerned Tax Authority: Circle 2(1)(1), Aayakar Bhavan Mumbai, (PAN AABCC9172D) and Ward No.1(1)(2), Aayakar Bhavan, Mumbai (PAN AFFCC1544B) respectively within whose jurisdiction the Applicant Company's assessment are made, (ii) the Central Government through the office of Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai Maharashtra, (iii) Registrar of Companies with a direction that they may submit their representations, if any, within a period of (30) 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 or the Second Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.
19. The First Applicant Company is directed to serve a notice along with the copy of the Scheme upon Securities Exchange Board of India (SEBI), Mumbai with the direction that they may submit their representations, if any, within a period of (30) 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.
20. The Counsel for the Second Applicant Company submits that there are no Secured Creditors in the Second Applicant Company and hence, the question of holding meeting of Secured Creditors does not arise. The Counsel for the Applicants further submits that since, the Scheme is an arrangement between the Applicant Companies and their respective shareholders, only meetings of Equity shareholders are proposed to be held in accordance with section 230(1)(b) of the Companies Act, 2013. This bench hereby directs the First Applicant Company to issue notice to its Secured Creditors as on 30<sup>th</sup> September, 2017 and the First and the Second Applicant Company to issue notices to all its Unsecured Creditors as on 30<sup>th</sup> September, 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 Applicant Companies.
21. The Applicant Companies to file affidavit of service in the Registry proving dispatch of notices to the shareholders, creditors, publication of notices in

newspapers to the regulatory authorities as stated in clauses 18 to 20 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

**BHASKARA PANTULA MOHAN**  
**MEMBER(JUDICIAL)**

**12.01.2018**

Sd/-

**M. K. SHRAWAT**  
**MEMBER(JUDICIAL)**