

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AT JAIPUR**

**CORAM: SHRI AJAY KUMAR VATSAVAYI,**  
**HON'BLE JUDICIAL MEMBER**  
**SHRI RAGHU NAYYAR,**  
**HON'BLE TECHNICAL MEMBER**

**CA (CAA)- 216/230-232/JPR/2020**

Section: Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

**IN THE MATTER OF SCHEME OF AMALGAMATION**

**OF**

**SANGAM LIFESTYLE VENTURES LIMITED**  
**(Transferor Company)**

**AND**

**SANGAM INDIA LIMITED**  
**(Applicant / Transferee Company)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**MEMO OF PARTIES**

**Sangam Lifestyle Ventures Limited**

**CIN: U52609RJ2016PLC055219**

Registered Office at Atun Chittorgarh Road,  
Bhilwara-311001 (Rajasthan)

**...Transferor Company**

Sd/-

With

**Sangam India Limited**

**CIN: L17118RJ1984PLC003173**

Registered Office at Atun Chittorgarh Road,  
Bhilwara-311001 (Rajasthan)

**...Applicant / Transferee Company**

**Counsel for the Applicants:**

Brij Kishore Sharma, PCS

**Order Pronounced on: 01.04.2021**

### **ORDER**

Per: Shri Raghu Nayyar, Technical Member

1. This Application is filed by Sangam India Limited ('Transferee Company' / 'Applicant Company') under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('Act') read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation ('Scheme') proposed between Sangam Lifestyle Ventures Limited ('Transferor Company') and the Transferee Company. The Copy of the Scheme is annexed along with the Application as Annexure-H. The Applicant above named has preferred the instant Application in effect for the following purposes as evident inter alia from the reliefs sought for, namely:

- (i) *Dispense with the requirement of convening the meeting of Equity Shareholders of the Transferor Company.*

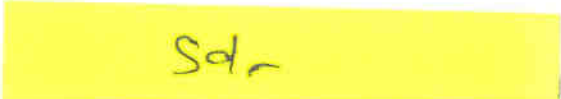
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- (ii) *Dispense with the requirement of convening the meeting of Unsecured Creditors of the Transferor Company.*
- (iii) *Dispense with the publication of citations for the above said meetings.*
- (iv) *Order for convening the meeting of Equity Shareholders of the Transferee Company.*
- (v) *Order for convening the meeting of Secured Creditors of the Transferee Company.*
- (vi) *Order for convening the meeting of Unsecured Creditors of the Transferee Company.*
- (vii) *Pass such other or further orders, as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case.*

2. An affidavit in support of the Application sworn for and on behalf of the Applicant Company by one Mr. Shri Niwas Modani has been filed, being the authorized representative of the Applicant Company, along with this Application. Counsel for the Applicant Company has drawn the attention of the Tribunal to the averments made in the Application as well as the typed set of documents annexed therewith. It is further represented that the Application filed by the Applicant Company is maintainable in view of applicable rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and it is also represented that the Registered Office of the Applicant Company is situated within the territorial jurisdiction of Jaipur Bench of this Tribunal and falling within the purview of Registrar of Companies, Jaipur.

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3. We have perused the Application and the connected documents / papers filed therewith including the Scheme of Amalgamation contemplated between the Applicant Company and the Transferor Company.
4. From the certificate of incorporation filed, it is evident that the Transferor Company was incorporated as a company limited by shares under the provisions of the Companies Act, 2013 on 14.06.2016 with the Registrar of Companies, Jaipur with CIN: U52609RJ2016PLC055219 under the name and style of 'Sangam Lifestyle Ventures Limited'.
5. The authorized share capital of the Transferor Company is Rs. 1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each and issued, subscribed and paid-up share capital of the Transferor Company is Rs. 5,00,000/- divided into 50,000/- equity shares of Rs. 10/- each.
6. From the certificate of incorporation filed, it is evident that the Applicant Company was originally incorporated as private limited company under the provisions of the Companies Act, 1956 on 29.12.1984 with the Registrar of Companies, Jaipur with CIN: L17118RJ1984PLC003173 under the name and style of 'Arun Synthetic CS Private Limited', subsequently the name of the company was changed to 'Sangam (India) Limited' on 01.04.1992.
7. The authorized share capital of the Applicant Company is Rs. 82,50,00,000/- divided into 6,40,00,000 equity shares of Rs. 10/- each and 1,85,00,000 non-





cumulative redeemable Preference share of Rs. 10/- each. The issued, subscribed and paid-up share capital of the Applicant Company is Rs. 39,42,15,590/- divided into Rs. 3,94,21,559/- equity shares of Rs. 10/- each.

8. The Applicant company has filed the Memorandum and Articles of Association of both the companies inter alia delineating their object clauses. The last available audited financial statements for the year ended 31.03.2020 of both the Companies are also filed by the Applicant Company.
9. In relation to “Sangam Lifestyle Ventures Limited” being the Transferor Company, it is represented that the Company has 7 Equity Shareholders and that all of them have given their consents to the proposed Scheme by way of affidavit. It is further represented that the Company has 29 Unsecured Creditors with total outstanding amount of Rs. 17,08,10,160/- and that the Transferor Company who is one of its Unsecured Creditors with outstanding amount of Rs. 16,76,93,833/- amounting to 98% of the total value of outstanding amount, has already given its unconditional consent by way of affidavit. It is further represented that the Transferor Company has no outstanding amount due from any Secured Creditors and therefore as on the said date there is no Secured Creditor in the books of the Transferor Company. In relation to the Equity Shareholders, Secured Creditors and Unsecured Creditors of Transferor Company exemption is sought from



convening and holding of the meetings in view of consents being inapplicable or obtained as aforesaid and filed along with the Application.

10. In relation to "Sangam India Limited" being the Transferee Company, it is represented that the Company has Equity Shareholders, Secured and Unsecured Creditors and an order for convening and holding of the meetings of the said stakeholders is sought. However, it is noted that the Applicant Company has not filed any list of said stakeholders.
11. This Tribunal has perused the Application and the connected documents / papers filed therewith including the Scheme of Amalgamation contemplated between both the Companies.
12. The Board of Directors of the Transferor Company and Transferee Company in separate meetings held on 14.09.2020 have unanimously approved the proposed Scheme of Amalgamation as contemplated and copies of resolutions passed thereon have been placed on record by the Applicant Company. The appointed date as per the Scheme is stated to be 01.04.2020.
13. Affidavits sworn on behalf of the Applicant Company and Transferor Company by Mr. Shri Niwas Modani and Mr. Vinod Kumar Sodani has been filed, being the respective authorized representatives of the Applicant Company and Transferor Company, stating that no investigation proceedings are pending against said Companies.

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14. The Applicant submits that the Transferor Company is a wholly owned subsidiary of the Transferee Company. Therefore, as per Regulation 37 (6) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, vide letter dated 24.06.2020 the Applicant has filed the Scheme of Amalgamation with the Stock Exchange for the purpose of disclosure only. Copy of the acknowledgement is enclosed with Affidavit filed vide Diary No. 554/2021 dated 01.03.2021.
15. An affidavit has been filed on behalf of Transferor Company stating that as per Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 issued by Securities Exchange Board of India ('SEBI'), "Valuation Report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the listed company / resulting company on effectiveness of Scheme of Arrangement". It is further stated that since the Transferor Company is a wholly owned subsidiary of the Transferee Company, there shall be no change in shareholding of the Transferee Company; and accordingly, valuation report is not required.
16. It is noted that the Applicant Company has not filed a certificate by the Company's Auditor in relation to compliance with the Accounting Standards under Section 133 of the Companies Act, 2013. Thus, the Applicant Company is directed to comply with the proviso to Section 230



(7) and Section 232 (3) while filing the second motion petition. Also, a statement in this regard and relevant details may be provided along with the notices of meetings to be called hereunder.

17. Taking into consideration the Application filed by the Applicant Company and the documents filed therewith, this Tribunal proposes to issue the following directions with respect to calling, convening and holding of the meetings of the Equity Shareholders, Secured and Unsecured Creditors or dispensing with the same as well as issue of notices including by way of paper publication:

**(A) In relation to Applicant Company / Transferee Company:**

**(i) With respect to Equity Shareholders:**

Since it is represented by the Applicant / Transferee Company that there are Equity Shareholders in the Applicant / Transferee Company and it is seen that their consent affidavits have not been placed on record; therefore, this Tribunal is of the view that a meeting of the Equity Shareholders of the Transferee Company is required to be held on 22.05.2021 at 10.30 a.m. through Video Conference and other Audio Visual means ('VC & OAVM') subject to notice of the meeting being issued through post, courier or email ids registered with the Transferee Company.

**(ii) With respect to Secured Creditors:**



Since it is represented by the Applicant / Transferee Company that there are Secured Creditors in the Applicant / Transferee Company and it is seen that their consent affidavits have not been placed on record; therefore, this Tribunal is of the view that a meeting of the Secured Creditors of the Transferee Company is required to be held on 22.05.2021 at 12.00 noon through VC & OAVM subject to notice of the meeting being issued through post, courier or email ids registered with the Transferee Company.

**(iii) With respect to Unsecured Creditors:**

Since it is represented by the Applicant / Transferee Company that there are Unsecured Creditors in the Applicant / Transferee Company and it is seen that their consent affidavits have not been placed on record; therefore, this Tribunal is of the view that a meeting of the Unsecured Creditors of the Transferee Company is required to be held on 22.05.2021 at 2.30 p.m. through VC & OAVM subject to notice of the meeting being issued through post, courier or email ids registered with the Transferee Company.

**(B) In relation to Transferor Company:**

**(i) With respect to Equity Shareholders:**

Since it is represented by the Applicant Company that all the Equity Shareholders in the Transferor Company have given their consents and

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the same are placed on record, therefore, the necessity of convening and holding a meeting to consider the approval of the Scheme is dispensed with.

**(ii) With respect to Secured Creditors:**

Since it is represented by the Applicant Company that there is no Secured Creditor in the Transferor Company, therefore no meeting is required to be called in such regard.

**(iii) With respect to Unsecured Creditors:**

Since it is represented by the Applicant Company that there are 29 unsecured creditors in the Transferor Company having total outstanding amount of Rs. Rs. 17,08,10,160/- and that the Transferee Company is one of its Unsecured Creditors for an outstanding amount of Rs. 16,76,93,833/-, amounting to 98% of the total value of outstanding amount, and has already given its unconditional consent by way of affidavit; therefore, the necessity of convening and holding a meeting to consider the approval of the Scheme is dispensed with.

**18. Directions for Meeting to be held are issued as under: -**

Considering the Covid-19 situation, the meeting of the Equity shareholders, Secured Creditors and Unsecured Creditors of the Applicant / Transferee Company shall be called, convened and conducted through VC & OAVM

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subject to the notice of the meeting being issued through post / courier / e-mail as specified below:

- (i) Holding of the meeting and conclusion of the voting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant / Transferee Company shall be done, through VC & OAVM on 22.05.2021 in accordance with the Companies Act, 2013, and applicable Rules & Guidelines. The quorum of the meeting of the Equity Shareholders shall be in terms of Section 103 of the Companies Act, 2013 and the quorum of the meeting of the Secured Creditors and Unsecured Creditors shall be 40% in value.
- (ii) In case the quorum as noted above for the aforesaid meetings of the Applicant / Transferee Company is not present at the specified time, then the meeting shall be adjourned by half an hour, and thereafter the persons present and voting, including authorised representatives, shall be deemed to constitute the quorum. The Scrutinizer is duty bound to record all proceedings of the meeting conducted through VC & OAVM. However, every endeavor shall be made by the Applicant / Transferee Company to attain at least the quorum fixed, if not more, in relation to approval of the Scheme.
- (iii) Mr. Prashant Mehta, IAS Retd., Gwalior (Mobile No. 9893121999, e-mail id: [prashantmehta90@hotmail.com](mailto:prashantmehta90@hotmail.com)), is appointed as the

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Chairperson; Mr. Anuroop Singhi, Advocate, Jaipur (Mobile No. 9414052225, email id: [anuroopsinghi@yahoo.com](mailto:anuroopsinghi@yahoo.com)) is appointed as the Alternate Chairperson; and Mr. Pradeep Pincha, Practicing Company Secretary, Jaipur (Mobile No. 9829157530, e-mail id: [ppincha@gmail.com](mailto:ppincha@gmail.com)) is appointed as the Scrutinizer for meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant / Transferee Company through VC & OAVM, which are accordingly directed by this Tribunal to be called, convened, conducted and concluded.

- (iv) The honorarium of the Chairperson and Alternate Chairperson for the aforesaid meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant / Transferee Company shall be Rs. 2,00,000/- and Rs. 1,50,000/- respectively and the honorarium of the Scrutinizer shall be Rs. 1,25,000/-, in addition to re-imbursement of their incidental and out of pocket expenses. The Chairperson / Alternate Chairperson and Scrutinizer will file their report within a week of conclusion of the meetings. They shall be fully assisted by the authorized representative / Company Secretary and other relevant staff of the Applicant Company.
- (v) Individual notice(s) of the above said meeting shall be sent by the Applicant / Transferee Company to the Equity Shareholders,

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Secured Creditors and Unsecured Creditors on record of the company through registered post or speed post or courier or e-mail, 30 days in advance before the scheduled date of meeting, indicating the day, date, time and link to meeting through VC & OAVM as aforesaid, together with a copy of the Scheme, copy of explanatory statement required to be sent along with any other documents as prescribed under the Companies Act, 2013, and Rules / Guidelines thereunder and also any information / document as specified in this order which shall also be duly sent with the notice.

- (vi) It is further directed that along with the notice, the Applicant Company shall also send statement(s) explaining the effect of the Scheme on the creditors, key managerial personnel, promoters and non-promoter members, etc. along with effect of the arrangement for amalgamation on any material interests of the Directors of the Company, as provided under sub-section 3 of Section 230 of the Act. Further, the Applicant Company shall prepare provisional statement of accounts as on 31.03.2021 and ensure that the same is presented in the meeting and at least a summary thereof is circulated in advance.
- (vii) The Applicant / Transferee Company shall publish advertisement, indicating the day, date, time and link of the meeting to be conducted

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through VC & OAVM as aforesaid, with a gap of at least 30 clear days before the holding of the meeting through VC & OAVM (i.e. on 22.05.2021), to be published in two leading daily Newspapers with large circulation in the area, in English and in vernacular, stating that the copies of Scheme of Amalgamation and the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 shall be available and provided free of charge at the registered office of the Applicant Company to eligible persons. The Applicant Company shall also publish the notice on its website, if any.

(viii) The Applicant / Transferee Company shall send notice individually and in compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the Rules to the Income Tax Authorities (indicating the respective PAN Nos.), ROC and Official Liquidator concerned, Regional Director - MCA (North Western Region), RBI, SEBI, National Stock Exchange of India Ltd., BSE Ltd. as well as other sectoral regulators or authorities, if applicable, as an advance notice for their representation / observation, if any. The Applicant Company shall

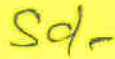


file affidavit regarding sectoral regulators that may be concerned and include a specific prayer with respect to notices to relevant regulators and authorities also at the stage of second motion. In case the Scheme is exempted under the Competition Act, 2002, an affidavit to this effect shall be given. Otherwise, notice to Competition Commission of India may also be issued.

- (ix) The Applicant / Transferee Company shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by any Equity Shareholder, Secured Creditor or Unsecured Creditor of the Applicant Company entitled to vote as aforesaid.
- (x) The authorized representative of the Applicant / Transferee Company shall furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meeting.
- (xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law, including forms and formats contained in the Companies (Companies, Arrangements, Amalgamations) Rules, 2016, as well as the provisions of the Companies Act, 2013.

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19. The Applicant / Transferee Company shall file petition for the approval of the Scheme in due course along with copies of this order. This is an integral part of this order and directions given herein, should be complied and affirmed / confirmed in the course of the proceedings before this Tribunal.
20. This Application bearing CA (CAA) No. 216/230-232/JPR/2020 stands allowed on the foregoing terms.
21. Copy of this order be provided to the Applicant Company and the designated Chairperson, Alternate Chairperson and Scrutinizer.



**(Raghu Nayyar)**  
**Member (Technical)**



**(Ajay Kumar Vatsavayi)**  
**Member (Judicial)**