

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH - COURT IV**

**C.P. (CAA)/1/MB/2024 IN  
C.A.(CAA)/177/MB/2023**

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 r/w Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

*And*

*In the matter of*

The Scheme of Arrangement

*Between*

**Safewater Lines (India) Private Limited**

*(“Petitioner Company 1’ or Demerged Company”)*

*And*

**Safewater Logistics Private Limited**

*(“Petitioner Company 2’ or Resulting Company”)*

*And*

their respective shareholders (‘Scheme’)

**Safewater Lines (India) Private Limited**

[CIN: U63090MH2005PTC151969]

... First Petitioner Company/

Demerged Company 1/SLIPL

**Safewater Logistics Private Limited**

[CIN: U63030MH2021PTC370627]

... Second Petitioner Company /

Resulting Company/SLPL

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*(hereinafter collectively referred to as the “Petitioner Companies”)*

**Order delivered on: 16.05.2024**

**Coram:**

**Ms. Anu Jagmohan Singh**  
Hon’ble Member (Technical)

**Mr. Kishore Vemulapalli**  
Hon’ble Member (Judicial)

*Appearances (via videoconferencing):*

For the Petitioner:

CA Harsh C. Ruparelia i/b A R C H  
and Associates, Authorised  
Representative.

For the Regional Director:

Mr. Tushar Wagh, Authorised  
Representative on behalf of RD  
(WR) Regional Director, WR,  
MCA.

**ORDER**

1. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') in the matter of Safewater Lines (India) Private Limited ('Petitioner Company 1' or 'Demerged Company') and Safewater Logistics Private Limited ('Petitioner Company 2' or 'Resulting Company') and their respective shareholders ("Scheme").
2. The Authorised Representative for the Petitioner Companies submits that the First Petitioner Company is providing freight, logistics, warehousing and

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transportation services to and from India, North America, Africa and the rest of the world.

3. The Authorised Representative for the Petitioner Companies submits that the Second Petitioner Company is engaged in providing special door to door transportation services and warehousing excluding freight.
4. It is submitted that the Board of Directors of the First Petitioner Company and Second Petitioner Company vide their resolution dated 29<sup>th</sup> May 2023 approved the Scheme of Arrangement between Petitioner Companies and their respective Shareholders. The Appointed Date for the Scheme is 1<sup>st</sup> April 2023.
5. It is submitted that the each of the business being carried on by SLIPL and SLPL have significant potential for growth and profitability. The nature of risk, competition, challenges and business methods for providing door to door transportation and warehousing services excluding freight is separate and distinct from providing the freight services. In order to lend greater focus to the operation of the door to door transportation and warehousing business, it is proposed to re-organize and separate the transportation and warehousing services which is being carried on by SLIPL by way of demerger to SLPL.
6. This segregation would enable greater/enhanced focus of the management in the business of providing door to door transportation services to customers and also enhance efficiency in overall combined business including

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economies of scale, efficiency of operations and minimize the administrative compliances and to maximize shareholders value. The Scheme of Arrangement will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the afore-said companies.

7. The Authorised Representative for the Petitioner Companies submits that the Company Scheme Petition has been filed in consonance with the order dated 8<sup>th</sup> September, 2023, passed by this Hon'ble Tribunal in C.A.(CAA) / 177 / MB / 2023. The meetings of the equity shareholders, secured creditors and unsecured creditors of the Petitioner Companies were dispensed with by the Hon'ble Tribunal vide its order. The Professional for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per directions of the Hon'ble Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules & Regulations made there under.
8. It is further submitted that, in consideration of transfer and vesting of the Demerged Undertaking of the Demerged Company to the Resulting Company in accordance with this Scheme, the Resulting Company shall issue and allot to every shareholder of the Demerged Company, holding fully paid up shares in the Demerged Company and whose names appear in the

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register of members of the Demerged Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title in the following manner:

*“608 (Six Hundred and Eight) fully paid up Equity Shares of the face value of Rs. 10 (Rupees Ten Only) each in SLPL for every 10,000 (Ten Thousand) fully paid up Equity Shares of the face value of Rs. 10 (Rupees Ten Only) to the equity shareholders of SLIPL.”*

9. The Regional Director, Western Region on behalf of the Central Government has filed its Report dated 16<sup>th</sup> April 2024 ('Report'). The observations of the Central Government on the Scheme are submitted as per paragraph 2 (a) to (h) of the Report. In response to the observation made by the Central Government, the Petitioner Companies have also given necessary undertakings and clarification vide their affidavit in reply to observations of the Regional Director, Western Region dated 17<sup>th</sup> April 2024. The observations made by the Central Government and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

Para No.	Observations as per the report of the Regional Director, Western Region dated 16 <sup>th</sup> April 2024	Response of the Petitioner Companies
2(a)	<i>“a. That on examination of report of Registrar of Companies Mumbai dated 15.04.2024 (Annexed as Annexure A-1)</i>	i. In so far as observation made in paragraph 2(a) is concerned, the Petitioner Companies states that the

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<p><i>for the Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is submitted that no representation regarding the proposed scheme of Amalgamation / Arrangement has been received against the Petitioner Companies. Further the Petitioner Companies has filed Financial Statements up to 31.03.2023.</i></p> <p><i>The ROC, Mumbai has further submitted that in his report dated 15.04.2024 which are as under:</i></p> <p><i>i. That the ROC Mumbai in his report dated 15.04.2024 has stated that No Inquiry, Inspection, Investigations, Prosecutions and complaints under CA, 2013 have been pending against the Petitioner Companies</i></p> <p><i>ii. Further ROC, Mumbai has mentioned as follows:-</i></p> <p><i>1. The Company has not filed GNL-1 for Scheme of amalgamation which is resulted in loss of generation of government revenue.</i></p>	<p>observation of Registrar of Companies, Maharashtra at Mumbai is self-explanatory, and no comments are required to be offered for the same.</p> <p>ii. In so far as observations made in paragraph 2(a)(i) is concerned, the Petitioner Companies state that the observation of Registrar of Companies, Mumbai is self-explanatory, and no comments are required to be offered for the same.</p> <p>iii. In so far as observations made in paragraph 2(a)(ii)(1) is concerned, the Petitioner Companies state that the eForm GNL-1 for the Scheme of Amalgamation is filed with the Registrar of Companies. The challans and e-Form GNL-1 are annexed as Annexure A to the Affidavit.</p> <p>iv. In so far as observations made in paragraph 2(a)(ii)(2) is concerned, the Petitioner Companies state that the interest of the Creditors will be protected. Further, the Scheme does</p>
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	<p>2. <i>Interest of the Creditor should be protected.</i></p> <p>3. <i>May be decided on its merits.</i></p> <p><i>Hence the Petitioner Companies shall undertake to submit detailed reply against observations mentioned above.</i></p>	<p>not involve any arrangement with any of the Creditors.</p> <p>v. In so far as observations made in paragraph 2(a)(ii)(3) is concerned, the Petitioner Companies state that the observation of Registrar of Companies, Mumbai is self-explanatory, and no comments are required to be offered for the same.</p>
2 (b)	<p><i>b) In compliance of Accounting Standard - 14 or IND AS-103, as may be applicable, the Resulting Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i></p>	<p>In so far as observations made in paragraph 2(b) is concerned, the Petitioner Companies undertake to pass necessary accounting entries in connection with the Scheme as per AS -14 (IND AS-103) for accounting treatment, to the extent applicable. The Petitioner Companies also undertake to comply with the other applicable Accounting Standards including as AS-5 IND AS-8 etc., to the extent applicable and generally accepted accounting principles, as may be appropriate for accounting for the present Scheme.</p>

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2 (c)	<i>c) The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made</i>	In so far as observations made in paragraph 2(c) is concerned, the Petitioner Companies undertakes through this affidavit that the Scheme enclosed to the Company Scheme Application and Company Scheme Petition are one and same and there is no discrepancy, or no change is made.
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2 (d)	<p><i>d) The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>In so far as the observations made in paragraph 2(d) is concerned, the Petitioner Companies states that, the Notices under section 230(5) of Companies Act, 2013 have been served on (i) the Registrar of Companies, Maharashtra, Mumbai through Speed Post and Email on 11th day of March, 2024 (ii) to the Central Government, through the office of Regional Director, Western Region, Mumbai through Speed Post and Email on 11th day of March, 2024 (iii) the Income Tax Authority on 11th day of March, 2024 through Speed Post and Email (iv) GST Authority through Speed Post and Email on 11th day of March, 2024 (v) Ministry of Corporate Affairs through Speed Post and Email on 11th day of March, 2024. The Petitioner Companies undertakes that the approval of the Scheme by the Hon'ble Tribunal will not deter such authorities to deal with any of the issue arising after giving effect to the Scheme. The decision of such authorities shall be binding on the Petitioner Companies concerned, subject to appropriate rights and</p>
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		remedies available to the Petitioner Companies under the applicable law.
2 (e)	<p><i>e) As per Definition of the Scheme "Appointed Date" means the opening business hours of 01<sup>st</sup> Day of April, 2023 for the purposes of Section 232(6) of the Act and the Scheme shall be effective from the aforesaid date;</i></p> <p><i>"Effective Date" means the date on which the authenticated copies or certified copies of the Order of the Jurisdictional Bench of the Hon'ble National Company Law Tribunal under Section 230 to 232 of the Act sanctioning the Scheme are filed with the relevant Registrar of Companies by the Demerged Company and Resulting Company;</i></p> <p><i>"Record Date" means the date to be fixed by the Board of the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to demerger under this Scheme.</i></p>	<p>In so far as the observations made in paragraph 2(e) is concerned, the Petitioner Companies confirm and clarify that as per clause 1.3 at Part A of the Scheme, 'Appointed date' means the opening business hours of 01st day of April, 2023 for the purposes of Section 232(6) of the Act and the Scheme shall be effective from the aforesaid date;</p> <p>Further clause 1.7 at Part A of the Scheme specifies the 'Effective Date' means the last of the dates on which the authenticated copies or certified copies of the Orders of the Jurisdictional Bench of the Hon'ble National Company Law Tribunal under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the relevant Registrar of Companies by the Demerged Company and Resulting Company;</p>

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<p><i>In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i></p> <p><i>The Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p>Further clause 1.11 at Part A of the Scheme specifies the 'Record Date' means the date to be fixed by the Board of the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to demerger under this Scheme.</p>
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		<p>The Scheme was presented before this Tribunal on 10th day of July, 2023 by mentioning the Appointed Date as 1st day of April 2023. Further the Petitioner Companies state that, the Company Scheme Application was filed on 10th day of July, 2023 with this Hon'ble NCLT. As per circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs, the Scheme was filed/ presented before this Hon'ble NCLT within one year of the Appointed Date. i.e. 1st April 2023, hence the Petitioner Companies states that they are in compliance of the circular no. F. No. 7/12/2019/CL-I dated 21.08.2019, the e-filing receipt of filing Company Scheme Application is annexed Annexure B to the Affidavit.</p>
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2 (f)	<i>f) Petitioner Companies shall undertake to comply, with the directions of the Income Tax Department &amp; GST Department, if any.</i>	In so far as the observations made in paragraph 2(f) is concerned, the Petitioner Companies undertakes to comply with the directions of the Income Tax Department & GST Department if any, arising in the future, subject to appropriate rights and remedies available under the applicable law.
2 (g)	<i>g) The Petitioner Company may be directed to undertake that the present scheme is in compliance with Section 2(19AA) of the Income Tax Act, 1961.</i>	In so far as the observations made in paragraph 2(g) is concerned, the Petitioner Companies submits that the Scheme has been drawn-up to comply with provisions of Section 2(19AA) of the Income-tax Act, 1961 read with relevant rules framed in this regard. Further, the Petitioner Companies shall ensure compliance of all the provisions of the Income-tax Act, 1961 including Section 2(19AA) and the rules framed thereunder.
2(h)	<i>h) The Hon'ble NCLT may kindly direct the Petitioner Company (Demerged Company) to disclosed the list of Assets &amp; Liabilities to be transferred to Resulting Company.</i>	In so far as the observations made in paragraph 2(h) is concerned, the Petitioner Companies has disclosed the list of Assets & Liabilities to be transferred to Resulting Company. The list of Assets and Liabilities belonging to the Demerged Undertaking of the Demerged

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		Company as on the Appointed Date is attached as Annexure C to the Affidavit.
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10. Mr. Tushar Wagh, Authorized Representative of the Regional Director, MCA (WR), Mumbai, present at the time of the hearing has submitted that the explanation and clarifications given by the Petitioner Companies are found satisfactory and stated that the Regional Director has no objections for approving the scheme by the Tribunal.

11. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy considering that no objection has so far been received from any authority or creditors or members or any other stakeholders.

12. Since all the requisite statutory compliances have been fulfilled, CP(CAA)-1(MB)/2024 is made absolute in terms of the prayer clauses of the said joint Company Petition. Therefore, the Scheme is hereby **sanctioned**. This Bench further orders that –

- i) The Appointed Date is fixed as 01.04.2023. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders Secured Creditors, Unsecured Creditors/Trade Creditors, Employees and/or any other stakeholders concerned.
- ii) The Transferor Company be dissolved without winding up.

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- iii) The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically in E-Form INC-28 within 30 days from the date of issuance of the certified copy of the Order from the Registry.
- iv) The Petitioner Companies to lodge a certified copy of this order and the Scheme duly authenticated by the Deputy Registrar or the Assistant Registrar, as the case may be, of this Tribunal, 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 date of receipt of the certified copy of order.
- v) The Petitioner Companies shall comply with all the undertakings given by them.
- vi) The Petitioner Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.
- vii) All concerned shall act on a copy of this Order along with the Scheme duly authenticated by the Registrar of this Tribunal.
- viii) Any person interested in the above matter shall be at liberty to apply to the Tribunal for any directions that may be necessary.

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13. With the above directions, C.P.(CAA)/1/MB/2024 c/w  
CA(CAA)/177/MB/2023 is **allowed** and **disposed-off**. File to be consigned  
to records.

**Sd/-**  
**ANU JAGMOHAN SINGH**  
**Member (Technical)**

**Sd/-**  
**KISHORE VEMULAPALLI**  
**Member (Judicial)**

16.05.2024/-