

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court No – I)
KOLKATA
C A (CAA) NO 25/KB/2024**

*An Application under Sections 230 to 232 of the Companies Act, 2013 read with
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and
other applicable provisions*

A Scheme of Amalgamation (First Motion):

In the matter of :

LITTLE'S GARMENTS PRIVATE LIMITED (hereinafter referred as the Transferor Company), having CIN No. U18109WB2009PTC134281, a Company within the meaning of Companies Act, 2013 having its registered office at 1E, Burman Street, Kolkata-700007, in the State of West Bengal, within the aforesaid jurisdiction.

...**Applicant Company No. 1/ Transferor Company**

And

MSAMA CREATIONS PRIVATE LIMITED (hereinafter referred as The Transferee Company), having CIN No. U14101WB2023PTC264959, a Company within the meaning of Companies Act, 2013, having its registered office at 1E, Burman Street, 1st Floor, Kolkata-700007, in the State of West Bengal, within the aforesaid jurisdiction.

.... **Applicant Company No. 2/ Transferee Company**

In the matter of:

1. Little's Garments Private limited ...Transferor /Applicant Company No.

2. MASA Creations Private Limited ...Transferee/ Applicant Company No.

2

Coram : Rohit Kapoor, Member (Judicial)

: Balraj Joshi, Member (Technical)

Ld. Counsel(s) on Record appeared Physically/ through Video Conferencing:

Mr. Yash Dalmia, Advocate : For the Applicants

Ms. Madhuri Pandey, PCS : For the Applicants

Date of pronouncement of the order: 02.04.2024

ORDER

Per : Balraj Joshi, Member (Technical)

1. The Court is convened through hybrid mode.
2. This is an application under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 jointly filed by the Applicant Companies, namely, **Little's Garments Private Limited (Transferor Company), and into MSAMA Creations Private Limited (Transferee Company)** in connection with a proposed Scheme of Amalgamation of the Applicant Companies. ("Scheme"). The Scheme is annexed with the Application and marked as "**Annexure E**" from page number "**111 to 154**" in Volume 1.

Sn	Name of the Company	Company As Per the Scheme	Party status	Relevant Annexure, Page Number and Volume of The Company Application

Appointed Date: 1st April, 2024				
I.	Little's Garments Private Limited	Transferor Company	Applicant No. 1	Scheme of Amalgamation is annexed to the Volume 1 of the Company Application being Annexure - E from Page No. 111 to 154.
II.	Msama Creations Private Limited	Transferee Company	Applicant No. 2	

3. The circumstances which justify and necessitate the said Scheme of Amalgamation are, inter-alia, as follows:
- a. The amalgamation will enable the Transferor Company and the Transferee Company to consolidate and broad base their line of business activities under the roof of the Transferee Company by restructuring and re-organizing its business activities and Capital Structure of the Transferee Company;
 - b. The amalgamation will enable the Transferor Company to shed its image in the eyes of the public as designers, manufacturers and wholesalers of apparel for children as it plans to venture into the manufacture and trading of garments for all ages and genders;
 - c. The amalgamation will result in economies of scale including reduction in overhead expenses relating to management and administration resulting in a better and more productive utilization of various resources leading to increase in profitability;
 - d. The said Scheme of Amalgamation will enable the establishment of a larger Company with larger resources and a larger capital base, enabling further development of the business. The said Scheme will also enable the undertakings and business of the Transferor Company and the Transferee Company to obtain greater facilities, possessed and enjoyed by one large

- company in comparison to a number of Small Companies for raising capital, securing and conducting trade on favorable terms and other benefits;
- e. The said Scheme will contribute in furthering and fulfilling the objects of the Companies concerned and, in the growth and development of the businesses;
 - f. The said Scheme will enable the undertakings concerned to pool their resources and to expand their activities;
 - g. The said Scheme will enable the Company concerned to rationalize and streamline their management, business and finances and to eliminate duplication of work to their common advantages;
 - h. The said Scheme will result in greater administrative efficiency, enhanced productivity and would result in reduction in multiplicity of legal and regulatory compliances;
 - i. The said Scheme will have beneficial results for the Company, their shareholders, employees, creditors and all concerned;
 - j. The Creditors of the Transferor Company and the Transferee Company will not be affected by the Scheme since the assets of the Transferor Company and the Transferee Company (taken together) are more than the liabilities of the Transferor Company and the Transferee Company (taken together);
 - k. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230-232 of the Companies Act, 2013 and any other relevant provisions, if any, read with the rules made thereunder.
4. The Board of Directors of the Applicant Companies have, at their respective Board meetings, held on **05.01.2024 & 04.01.2024**, by a resolution passed unanimously, and approved the Scheme of Amalgamation. The said resolutions are annexed with the Application and referred in “**Annexure F**” from page number “**155 to 156**” in Volume

SN	COMPANY	DATE OF BOARD MEETING	RESOLUTION ANNEXED
I.	Applicant Company No. 1	05/01/2024	Annexure- F at page 155
II.	Applicant Company No. 2	04/01/2024	Annexure- F at page 156

5. It is submitted that Mr. Madhu Sudan Agarwal and Ms. Manisha Agarwal are Directors in the Transferor and Transferee Company. Save as aforesaid none of the Directors of the Applicant Companies have any material interest in the said Scheme of Amalgamation except as shareholders in general, the extent of which will appear from the Register of Directors Shareholdings maintained by the respective Applicant Companies.
6. The assets of the Applicant Companies are sufficient to meet all their liabilities and the Scheme of Amalgamation will not adversely affect the rights of any of the creditors of the Applicant Companies in any manner whatsoever.
7. The Applicant Companies have made due provisions for payment of all the liabilities as and when the same will fall due.
8. The report determining the number and exchange ratio of shares which, shall be issued and allotted to the equity shareholders of the Transferor Company by the Transferee Company for implementing the terms of the Scheme has been prepared by an independent Registered Valuer in practice. The said report is annexed with the Application and marked as “**Annexure G**” from page number “**157 to 177**” in Volume 1.
9. It is stated in the Application that both the Applicant Companies are closely held Companies and there are no outside shareholder(s) or director(s) in any of the Applicant Companies.
10. There are 7 (Seven) equity shareholders in the Transferor Company as on **31.12.2023**.

11. The list of equity shareholders of the Transferor Company as on **31.12.2023** along with the certificate by the Statutory Auditor verifying the correctness of the same as on that date is annexed with the Application and marked as “**Annexure H**” from page number “**178 to 180**” in Volume 2.
12. Each and every shareholder of the Transferor Company have considered the Scheme of Amalgamation and have given their consent in writing agreeing to the Scheme of Amalgamation and also to waive the holding of the meeting of the shareholders of the concerned Transferor Company. The copies of the consent affidavits of all the equity shareholders of the Transferor Company are annexed with the application and collectively marked as “**Annexure-I**” from page number “**181 to 211**” in Volume 2.
13. There are 2 (Two) equity shareholders in the Transferee Company as on **31.12.2023**.
14. The list of equity shareholders of the Transferee Company as on **31.12.2023** along with the certificate by the Chartered Accountant verifying the correctness of the same as on that date is annexed with the Application and marked as “**Annexure J**” on page number “**212 to 214**” in Volume 2.
15. Each and every shareholder of the Transferee Company have considered the Scheme of Amalgamation and have given their consent in writing agreeing to the Scheme of Amalgamation and also to waive the holding of the meeting of the shareholders of the Transferee Company. The copies of the consent affidavit of all the equity shareholders of the Transferee Company are annexed with the application and collectively marked as “**Annexure-K**” from page number “**215 to 222**” in Volume 2.
16. There are no proceedings pending under Section 235 to 251 of the Companies Act, 1956 and Section 217, 219, 221, 224 and 225 of the Companies Act, 2013 against any of the Applicant Companies.
17. There are Nil Secured and 7(Seven) Unsecured Creditors in the Transferor Company as on **31.12.2023**.
18. The Statutory Auditor of the Transferor Company has given certificate certifying the Nil Secured Creditors and 7 (Seven) Unsecured Creditors in the Transferor Company as on **31.12.2023**. The copy of such certificate are

annexed with the Application and marked as “**Annexure L**” from page number “**223 and 225**” of Volume 2.

19. The unsecured creditors of the Transferor Company has considered the Scheme of Amalgamation and has given his consent in writing agreeing to the Scheme of Amalgamation and consenting to waive the holding of the meeting of the creditors of the concerned Transferor Company. The copies of the consents by way of affidavits are annexed with the Application and marked as “**Annexure M**” from page number “**226 to 254**” of Volume 2.
20. There are Nil Secured and 1 (One) Unsecured Creditor in the Transferee Company as on **31.12.2023**.
21. The Chartered Accountant has given a certificate certifying the list of secured and unsecured creditors of the Transferee Company as on **31.12.2023**. The list of secured and unsecured creditors drawn as on the dates mentioned above along with the copy of such certificate, are annexed with the Application and marked as “**Annexure N**” on page number “**255 to 257**” in Volume 2.
22. The unsecured creditor of the Transferee Company has considered the Scheme of Amalgamation and has given his consent in writing agreeing to the Scheme of Amalgamation and also consenting to waive the holding of the meeting of the creditors of the concerned Transferee Company. The copy of the consent affidavit of the unsecured creditor of the Transferee Company is annexed with the application and marked as “**Annexure-O**” from page number “**258 to 261**” in Volume 2.
23. **The list of Shareholders and Creditors are as follows:**

Particulars	Equity Shareholders	Secured Creditors		Unsecured Creditors	
		(As On December 2023)	(As On 31st December 2023)	(As On December 2023)	(As On 31st December 2023)

Company Application (CAA) 25/KB/2024

Transferor Company/ Applicant Company No. 01	7	NIL	7
	Consent: 100%		Consent 100%
Transferee Company / Applicant Company No. 02	2	NIL	1
	Consent: 100%		Consent 100%

24. Copy of Permanent Account Number (PAN) cards of both the Applicant Companies are annexed herewith and marked as “**Annexure P**” from page number “**262 to 263**” of the Volume 2.
25. The Certificate issued by the Statutory Auditor of both the Applicant Companies with respect to the accounting treatment proposed, in the Scheme of Amalgamation, is in conformity with the prescribed Accounting Standards under Section 133 of the Companies Act, 2013 is annexed with the Application and marked as “**Annexure Q**” from page number **264-265** in Volume 2.
26. Heard the learned Authorized Representative for the applicants, perused the records, documents and annexed with the Application and affidavits filed in the instant proceedings and after hearing the submissions made on behalf of the applicants, the following orders are passed:
- i. In view of the fact that all the equity shareholders of both the Applicant Companies duly consented in writing by way of affidavits, to the proposed Scheme of Amalgamation, hence the requirements of convening and holding of separate meetings of the shareholders of the Applicant Companies to ascertain the wishes of the equity shareholders of all the Applicant Companies for the Scheme of Amalgamation, are dispensed with;
 - ii. The Unsecured Creditors of the Applicant Companies have given their consent in writing by way of an affidavit agreeing to the Scheme of Amalgamation and also consenting to waive holding of separate meetings of the secured and unsecured creditors of the concerned Transferor

Company and Transferee company and hence meeting of Unsecured Creditors of the Little's Garments Private Limited(Transferor Company and MSAMA Creations Private Limited (Transferee Company), has been waived and dispensed by the Tribunal.

- iii. Let the notice be served by the Applicant Companies, as per the requirements of sub-section (5) of Section 230 of The Companies Act, 2013, along with the copy of the Application and all other documents including the copy of the Scheme of Amalgamation and the statement disclosing necessary details to the following authorities:
- Central Government, through the Regional Director, Eastern Region.
 - Ministry of Corporate Affairs, Registrar of Companies, Kolkata.
 - The concerned Income-Tax Assessing Officer along with the Chief Commissioner of Income-Tax with PAN Numbers of the Applicant Companies.
 - The Official Liquidator, having jurisdiction over the Applicant Companies.
 - Such other relevant sectoral regulators/authorities, like GST as applicable; which are likely to be affected by the proposed scheme, by sending the same **by hand delivery through Special Messenger or by registered post and by Speed Post, and by E-Mail**, within ten days from the date of this order for filing their representation, if any, on the Application within 30 days from the date of the notice;
- iv. The Applicants shall file an affidavit in compliance of First Motion Order not less than 7 days before the date of hearing of Second Motion Petition;
- v. The notice shall specify that representation, if any, should be filed before this Tribunal within 30 days of the date of receipt of the notice with a copy of such representation being sent simultaneously to the Applicants and/or their Advocates, in advance;
- vi. If no such representation is received by the Tribunal within the said period, it shall be presumed that such authorities have no representation to make on the Scheme of Amalgamation;
- vii. Objections, if any, to the scheme contemplated by the authorities to whom notice has been given, may be filed within the time stipulated,

Company Application (CAA) 25/KB/2024

failing which it will be considered by this Tribunal that there is no objection to the approval of the Scheme of Amalgamation on the part of the authorities, subject to other conditions being applicable under the Companies Act, 2013 and relevant rules made thereunder;

- viii. Concerned Company Petition should be filed preferably within 6 (six) weeks.
- ix. The Company Application bearing **CA (CAA) No. 25/KB/2024** is, accordingly, **disposed of**.
- x. Certified copy of this Order may be issued, if applied for, upon compliance of all requisite formalities.

Balraj Joshi
Member (Technical)

Rohit Kapoor
Member (Judicial)

Order signed on the 02nd day of April, 2024

mb