

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – V
CA (CAA) NO. 49 OF 2024**

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

AND

In the matter of Scheme of Amalgamation of PL INSURANCE BROKING SERVICES PRIVATE LIMITED, the First Transferor Company; PL COMMODITY MARKETS PRIVATE LIMITED, the Second Transferor Company; CONVICTION CAPITAL PRIVATE LIMITED, the Third Transferor Company with PRABHUDAS LILLADHER ADVISORY SERVICES PRIVATE LIMITED, the Transferee Company

PL Insurance Broking Services Private Ltd, CIN: U66010MH2008PTC184265)) ...Applicant Company 1/ First Transferor Company
PL Commodity Markets Private Limited, CIN: U51100MH2005PTC157590)) ...Applicant Company 2/ Second Transferor Company
Conviction Capital Private Limited, CIN: U65999MH2022PTC378702)) ...Applicant Company 3/ Third Transferor Company.

Prabhudas Lilladher Advisory Services Private)
Limited)
CIN: U65990MH1991PTC060157) ...Applicant Company 4/
Transferee Company.

*(Hereinafter Applicant Company 1, Applicant Company 2, Applicant Company 3
and Applicant Company 4 shall be collectively known as Applicant Companies)*

Order Dated:01.05.2024

Coram:

Madhu Sinha
Hon'ble Member (Technical)

Reeta Kohli
Hon'ble Member (Judicial)

Appearance:

For the Applicant(s): Mr. Ashish O. Lalpuria a/w Mr. Kamal Lahoty, Practising
Company Secretaries

ORDER

1. Learned Authorised Representative for the Transferor Companies and the Transferee Company (*Applicant Companies*) states that the present Scheme is an Application for an arrangement embodied in the Scheme of Amalgamation of PL Insurance Broking Services Private Limited (“the First Transferor Company”), PL Commodity Markets Private Limited (“the Second Transferor Company”) Conviction Capital Private Limited, (“the Third Transferor Company”), and Prabhudas Lilladhar Advisory services Private Limited (“the Transferee Company”) and their respective shareholders
2. The Learned Authorised Representative for the Applicants states that the respective Board of Directors of Transferor Companies and the Transferee Company at its respective Board Meeting held on 28th

February, 2024 approved the Scheme.

- 3** The Learned Authorised Representative for the Applicants states that appointed date of Scheme of Amalgamation is 1st April, 2023.

4 The Applicant Companies:

- 4.1. The Applicant Company 1 was incorporated on 3rd day of July, 2008 having registered office at Mumbai, Maharashtra with the object of carrying business of Insurance Broking Services and presently does not have any significant business operations.
- 4.2. The Applicant Company 2 was incorporated on 25th day of November, 2005 having registered office at Mumbai, Maharashtra with the object of carrying out business of trading in commodities and presently does not have any significant business operations.
- 4.3. The Applicant Company 3 was incorporated on 21st day of March 2022 having registered office at Mumbai, Maharashtra is in business of consultancy, advisory and dealing in shares, debentures and other securities of all nature and also to act as an intermediary in trading of securities.
- 4.4. The Applicant Company 4 was incorporated on 07th day of February, 1991 having registered office at Mumbai, Maharashtra with the object of rendering advisory services and offer consultancy services and / or to act as advisors to companies, banks, institutions, bodies corporate, government association or any other person, both in India as well as abroad.
- 4.5. As all four Applicant Companies have registered offices at Mumbai, Maharashtra, this Bench has jurisdiction to entertain the present application.

5 Rationale for the Scheme:

- 5.1. The Transferor Companies and the Transferee Company are owned, controlled, and managed by the same promoter i.e. Mrs. Amisha Niraj Vora.

- 5.2. The First Transferor Company and the Second Transferor Company are wholly owned subsidiary of the Transferee Company. The Third Transferor Company holds 48% of the paid-up Equity Share capital of the Transferee Company and therefore with a view to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to merge and amalgamate the Transferor Companies with Transferee Company. The amalgamation of Transferor Companies into the Transferee Company shall facilitate consolidation of all the undertakings to enable effective management and unified control of operations. This would enable streamlining the activities and consequently reducing managerial overlaps by reducing the number of companies under the same management and thus lead to reduction in administration efforts.
- 5.3. The Amalgamation would also allow the consolidation of debt, leading to more favorable terms and efficient debt management.
- 5.4. The Transferor Companies and the Transferee Company are operating in complementary/similar line of business and can be conveniently combined for mutual benefit as this would increase the profitability of the Transferee Company.
- 5.5. The proposed amalgamation of the Transferor Companies will help the Transferee Company to strengthen its rapidly growing consultancy and advisory business.
- 5.6. The proposed amalgamation will help pool and combine finances and resources into one consolidated entity which will result in administrative and operations rationalization, organization efficiencies, optimal utilization of various resources, overheads and other expenses and better compliance management.
- 5.7. The proposed amalgamation will help the Transferee Company to achieve financial strength aiding in achieving economies of scale, more focused operational efforts, standardization and simplification of business processes and productivity improvements.
- 5.8. The proposed amalgamation is commercially and economically viable,

feasible, fair, and reasonable and is in the interest of the Transferor Companies, the Transferee Company and their respective stakeholders

6 The Authorized, Issued, Subscribed and Paid Up Capital of the Applicant Companies are as under:

6.1 The Authorized, Issued, Subscribed and Paid-Up Capital of **PL INSURANCE BROKING SERVICES PRIVATE LIMITED, the Applicant Company 1** as on the 31st day of March, 2023 is as under:

Authorised Capital	Amount Rs.
10,00,000, Equity Shares of Rs. 10/- Each	1,00,00,000
TOTAL	1,00,00,000
Issued, Subscribed and Paid up Capital	
6,00,000, Equity Shares of Rs. 10/- each fully paid up	60,00,000
TOTAL	60,00,000

6.2 The Authorized, Issued, Subscribed and Paid-Up Capital **PL COMMODITY MARKETS PRIVATE LIMITED, the Applicant Company 2** as on the 31st day of March, 2023 is as under:

Authorised Capital	Amount Rs.
20,00,000, Equity Shares of Rs. 10/- each	2,00,00,000
Total	2,00,00,000
Issued, Subscribed and Paid up Capital	
18,87,100, Equity Shares of Rs. 10/- each fully paid up	1,88,71,000
Total	1,88,71,000

6.3 The Authorized, Issued, Subscribed and Paid-Up Capital of **CONVICTION CAPITAL PRIVATE LIMITED, the Applicant Company 3** as on the 31st day of March, 2023 is as under:

Authorised Capital	Amount Rs.
1,00,000, Equity Shares of Rs. 10/- each	10,00,000
100, 10% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	1,000
Total	10,01,000

Issued, Subscribed and Paid up Capital	
1,00,000, Equity Shares of Rs. 10/- each fully paid up	10,00,000
Total	10,00,000

6.4 The Authorized, Issued, Subscribed and Paid-Up Capital of **PRABHUDAS LILLADHER ADVISORY SERVICES PRIVATE LIMITED, the Applicant Company 4** as on the 31st day of March, 2023 is as under:

Authorised Capital	Amount Rs.
47,50,000, Equity Shares of Rs. 10/- each	4,75,00,000
2,50,000, 10% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each	25,00,000
Total	5,00,00,000
Issued, Subscribed and Paid up Capital	
18,03,060, Equity Shares of Rs. 10/- each	1,80,30,600
100, 10 % Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each	1,000
Total	1,80,31,600

7. CONSIDERATION

7.1 The First Transferor Company and the Second Transferor Company are wholly owned subsidiaries of the Transferee Company and their entire paid-up share capital is held by the Transferee Company and therefore the shares held by Transferee Company would be cancelled and extinguished and no shares will be issued and allotted in lieu of such cancellation.

7.2 In respect of the Third Transferor Company, Mr. Bhavesh M. Rathod, Registered Valuer has issued a valuation report dated 27th February, 2024 wherein he has proposed an exchange ratio of 5.45 (Five Point Four Five) fully paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten Only) of the Transferee Company for every 1 (One) fully paid-up Equity Share of Rs.10/- (Rupees Ten Only) of the Third Transferor Company.

8 The equity shares of the Applicant Companies are not listed on any of the recognized stock exchange in India.

9 Meetings of Shareholders and Creditors of the First Transferor Company/Applicant Company 1:

9.1 The **First Transferor Company** has **2 (two)** equity shareholders. Both of them have given their consent to the Scheme by way of consent Affidavits. The list of equity shareholders duly certified by a certificate issued by Chartered Accountant along with consent affidavit are placed as **Exhibit I-1-Colly** on **page 441-453** of the Application. In view of this, the meeting of the equity shareholders of the First Transferor Company is **dispensed with**.

9.2 There are **no secured creditors** in the **First Transferor Company/Applicant Company 1** as on 31st December, 2023 which has been duly certified by a certificate issued by Chartered Accountant and placed as **Exhibit as J-1** at **page 529-530** and therefore, the question of holding meeting of the Secured creditors of the Applicant Company 1 **does not arise**.

9.3 There is **1 (one) Unsecured creditors** in the **First Transferor Company/Applicant Company 1** having an outstanding amount of Rs.15,69,310/- (Rupees Fifteen Lakhs Sixty-Nine Thousand Three Hundred and Ten Only) as on as on 31st December, 2023. The list of unsecured creditors duly certified by Chartered Accountant along with consent affidavit are placed as **Exhibit K-1** at **page no. 552-561** of the Application. In view of this, the meeting of the equity shareholders of the First Transferor Company is **dispensed with**.

10 Meetings of Shareholders and Creditors of the Second Transferor Company/Applicant Company 2

10.1 The **Second Transferor Company** has **2 (two) equity shareholders**.

Both of them have given their consent to the Scheme by way of consent Affidavits. The list of equity shareholders duly certified by a certificate issued by Chartered Accountant along with consent affidavit are placed as **Exhibit- I-2** on **page 454-466** of the Application. In view of this, the meeting of the equity shareholders of the Second Transferor Company is **dispensed with**.

10.2 There are **no secured creditors** in the **Second Transferor Company/Applicant Company 2** as on 31st December, 2023 which has been duly certified by a certificate issued by Chartered Accountant and placed as **Exhibit J-1** on **page 531-532** and therefore, the question of holding meeting of the Secured Creditors of the Applicant Company 2 **does not arise**.

10.3 There are **no Unsecured creditors** in the Second Transferor Company/Applicant Company 2 as on 31st December, 2023 which has been duly certified by a certificate issued by Chartered Accountant and annexed as **Exhibit K-2** on **page no. 562-563** and therefore, the question of holding meeting of the Unsecured creditors of the Applicant Company 2 **does not arise**.

11. Meetings of Shareholders and Creditors of the Third Transferor Company/Applicant Company 3

11.1 The **Third Transferor Company** has 2 (two) equity shareholders. Both of them have given their consent to the Scheme by way of consent Affidavits. The list of equity shareholders duly certified by a certificate issued by Chartered Accountant along with consent affidavit are placed as **Exhibit I-3** on **page 467-475** of the Application. In view of this, the meeting of the equity shareholders of the Transferee Company is **dispensed with**.

11.2 There is 1 (one) **secured creditor** in the Third Transferor Company/Applicant Company 3 amounting to Rs. 56,10,84,762/- as on 31st December, 2023 who has given consent to the Scheme. The list of secured creditors has been duly certified by a certificate issued by Chartered Accountant together with consent affidavit of the secured creditor are placed as **Exhibit J-3** on **page 533-541** of the Application. In view of this, the meeting of the secured creditor of the Third Transferor Company is **dispensed with**.

11.3 There are 9 (Nine) **Unsecured Creditors** in the Third Transferor Company having outstanding value of Rs. 22,87,51,114/- as on 31st December, 2023. The unsecured creditors constituting 99.97% in value in value have given consents to the Scheme. The list of unsecured creditors duly certified by a certificate issued by Chartered Accountant together with consent affidavits are placed as **Exhibit K-3** at **page no. 564-589** of the Application. In view of this, the meeting of the Unsecured Creditors of the Third Transferor Company is **dispensed with**.

12 Meetings of Shareholders and Creditors of the Transferee Company/Applicant Company 4

12.1 The **Transferee Company** has 4 (four) equity shareholders. All of them have given their consent to the Scheme by way of consent Affidavits. The list of equity shareholders duly certified by a certificate issued by Chartered Accountant along with consent affidavits are placed as which are placed as **Exhibit I-4-colly** on **page 476-497** of the Application. In view of this, the meeting of the equity shareholders of the Transferee Company is **dispensed with**.

12.2 The **Transferee Company** has 10 (Ten) preference shareholders who have given their consent to the Scheme by way of consent Affidavits. The list of preference shareholders duly certified by a certificate issued by Chartered Accountant along with consent affidavit are placed as

which are placed as **Exhibit I-4-Colly** on **page 476-478 & 498-528** of the Application. In view of this, the meeting of the Preference Shareholders of the Transferee Company is **dispensed with**.

12.3 The Transferee Company has 1 (one) Secured Creditor having outstanding value of Rs. 22,69,64,395 as on 31st December, 2023 who has given its consent to the Scheme by way of consent Affidavit. The list of secured creditors duly certified by a certificate issued by Chartered Accountant together with consent affidavit are placed as **Exhibit J-4** at **page no. 542-551** of the Application. In view of this, the meeting of the Secured Creditor of the Transferee Company is **dispensed with**.

12.4 The Transferee Company has 18 (Eighteen) Unsecured Creditors having outstanding value of Rs. 29,34,58,417 as on 31st December, 2023. Out of the value of Rs. 29,34,58,417/-, 17 (Seventeen) unsecured creditors having value of Rs. 25,71,46,680/- constituting 87.63 % have given their consents to the Scheme and 1 (one) unsecured creditor have been paid partially having value of Rs. 95,71,940/- constituting 3.26% as on 18th March, 2024. The List of Unsecured Creditors duly certified by a certificate issued by Chartered Accountant together with consent affidavits are placed as **Exhibit K-4** at **page no. 590-654** of the Application. Since, the Unsecured Creditors constituting 90.89% in value have either issued consent and/or have been paid off, the meeting of the unsecured creditors Transferee Company is **dispensed with**.

- 13** The Applicant Companies are directed to serve notices along with copy of scheme upon: -
- (a) the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai Maharashtra,
 - (b) Registrar of Companies, Mumbai
 - (c) Income Tax Authorities within whose jurisdiction the respective

applicant companies are assessed to tax

(d) The Official Liquidator, High Court Bombay

(e) Principal Chief Commissioner of Income tax being the Nodal Authority, at 3rd floor, Aayakar Bhavan, Maharashi Karve Road, Mumbai 400020;

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 respective Applicant Companies.

- 14** The Applicant Companies to file affidavit of service in the Registry proving dispatch of notices to the Regulatory Authorities.

SD/-

Madhu Sinha

Hon'ble Member (Technical)

/Aakansha/

SD/-

Reeta Kohli

Hon'ble Member (Judicial)