

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, BENCH-I**

**C.A.(CAA)/105/MB-I/2024**

*In the matter of*

*The Companies Act, 2013*

*And*

*In the matter of*

*Sections 232 r/w Section 230 of*

*The Companies Act, 2013 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*

*amongst*

**Perfect Relations Private Limited**

CIN No. : U74899DL1994PTC057593

**... Non-Applicant Company No. 1 /**

**Transferor Company No. 1**

**Accord Public Relations Private Limited**

CIN No. : U92111DL2000PTC107552

**... Non-Applicant Company No. 2 /**

**Transferor Company No. 2**

**Wat Media Private Limited**

CIN No. : U72400MH2008PTC178016

**... First Applicant Company /**

**Transferor Company No. 3**

**Dentsu One Private Limited**

CIN No. : U74300MH2003PTC143297

**... Second Applicant Company /  
Transferee Company**

*(First Applicant Company and Second Applicant Company are hereinafter collectively referred to as "Applicant Companies")*

*Order delivered on : 05.07.2024*

*Coram:*

**Shri Prabhat Kumar**

Hon'ble Member (Technical)

**Justice V.G. Bisht (Retd.)**

Hon'ble Member (Judicial)

*Appearances (through)*

For the Applicants : Ms. Shruti Kelji Pednekar,  
Advocate

**ORDER**

1. The present Scheme pertains to **Scheme of Amalgamation** amongst **Perfect Relations Private Limited** (Non Applicant Company 1), **Accord Public Relations Private Limited** ((Non Applicant Company 2) and **WAT Media Private Limited** (Transferor Company 3) with **Dentsu One Private Limited** (Transferee Company) and their respective shareholders under the provisions of Section 232 r/w Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
2. The Applicant companies are engaged in the business of advertising through a media platform limited to convey communication related

services to clients via television, cinema, outdoor, internet and other creative work carried out in India.

3. The Transferor Company No. 1 and Transferor Company No. 2 are situated in the state of Delhi and the Transferor Company no. 3 and Transferee Company are situated in the state of Maharashtra.
4. The Applicant Companies submits that the Non-Applicant Companies i.e. Perfect Relations Private Limited and Accord Public Relations Private Limited have filed separate Company Scheme Application before the National Company Law Tribunal, Delhi Bench, bearing Company Scheme Application No. CA(CAA)65/ND/2024, the same is pending adjudication.
5. The Scheme of Amalgamation was approved by the respective Board of Directors of the Transferor Companies and Transferee Company on 20.02.2024. The Appointed date fixed under the Scheme is 01.04.2023.
6. Rationale and benefits of the proposed Scheme of Amalgamation are as follows :
  - a) The Transferor Companies and the Transferee Company are Group Companies engaged in similar line of business and believe that the resources of the merged entity can be pooled to unlock the opportunity for creating shareholder value.
  - b) The Companies will be able to share best practices, cross-functional learnings, and utilize each other's facilities in a more efficient manner.
  - c) The proposed amalgamation will enable to consolidate group entities in India carrying on the business of providing digital media advertising and creative services to its clients in India and

providing services related to planning and implementation to its customers and will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads, personnel and compliance costs including other administrative expenses.

- d) The proposed amalgamation would be beneficial from a revenue generation and cost optimization perspective as the Transferee Company would continue to reap benefits of the qualifications of the Transferor Companies and its preferred vendor status with identified customers post-amalgamation.
- e) The proposed amalgamation will prevent cost duplication and will result in synergies in operations. The synergies created by such amalgamation would increase operational efficiency and integrate business functions which will enable easier and speedier decision making at all levels and better management and coordination.
- f) Simplified structure and management efficiency: In line with group strategy simplification, synergy, scale, sustainability, and speed, the proposed amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities.
- g) The proposed amalgamation will improve organizational capability arising from the pooling of human capital that has diverse skills, talent and vast experience and integration and optimization of various support functions, resources, and assets.
- h) The proposed amalgamation would make it easier to address the needs of customers by providing them a wide variety of services ranging from digital media and advertising solutions to programmatic buying of digital solutions thereby improving customer satisfaction.

- i) The proposed amalgamation will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors, and other stakeholders of the Transferor Companies and Transferee Company.
- j) The Scheme is commercially and economically viable and feasible and is in fact fair and reasonable.

7. The Share Exchange Ratio is as follows:

The Transferee Company, without further application, act or deed, shall issue and allot to each of the equity shareholders of Transferor Companies and whose name appears in the Register of Members of the Transferor Companies on the Record Date, shares in the proportion of:

- a) 655.33 equity share(s) of face value of Rs. 10/- each in the Transferee Company for every 1 equity share of face value of Rs. 100/- each held in the Transferor Company No.1.
- b) Transferor Company No. 2 being the wholly owned subsidiary of Transferor Company No. 1 and considering amalgamation of Transferor Company No. 1 into Transferee Company, no further shares of Transferee Company shall be issued to the equity shareholders of the Transferor Company No. 2.
- c) 2912.40 equity share(s) of face value of Rs. 10/- each in the Transferee Company for every 1 equity share of face value of Rs. 10/- each held in the Transferor Company No. 3.

8. The Valuation Report dated 16.04.2024 issued by Den Valuation (OPC) Private Limited, a Registered Valuer Entity having IBBI Registration No. IBBI/RVE/06/2021/146, is relied upon to arrive at the aforesaid Share Exchange Ratio.

9. The Authorized Share Capital of the First Applicant Company/Transferor Company 3, as on March 31, 2023 was as under:

<b>Particulars</b>	<b>Amount (in Rs.)</b>
<b>Authorized Capital</b>	
10,000 equity shares of INR 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
10,000 equity shares of INR 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

10. That there are 2 (two) Equity Shareholders holding 10,000 Equity Shares of Rs.10/- each aggregating to Rs.1,00,000/- in the First Applicant Company/Transferor Company 3. The First Applicant Company submits that both the equity shareholders have provided their consent in affidavit for approval of the Scheme. In view of the consent affidavits given by both the shareholders, the question of meeting does not arise, accordingly, dispensed with.
11. The Authorized Share Capital of the Second Applicant Company/Transferee Company, as on March 31, 2023 was as under:

<b>Particulars</b>	<b>Amount (in Rs.)</b>
<b>Authorized Capital</b>	
2,40,00,000 Equity Shares of INR 10 each	24,00,00,000
<b>Total</b>	<b>24,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
2,37,83,661 Equity shares of INR 10 each, fully paid up	23,78,36,610
<b>Total</b>	<b>23,78,36,610</b>

12. That there are 2 (two) Equity Shareholders holding 2,37,83,661 Equity Shares of Rs.10/- each aggregating to Rs. 23,78,36,610/- in the Second Applicant Company. The Second Applicant Company submits that both the equity shareholders have provided their consent in affidavit for approval of the Scheme. In view of the consent affidavits given by both the shareholders, the question of meeting does not arise, accordingly, dispensed with.
13. That there are no Secured Creditors as on 30.09.2023 in any of the Applicant Companies, i.e. Transferor Company 3 and Transferee Company. Hence, there is no question of conducting meeting of the Secured Creditors.
14. That there are 127 (one hundred and twenty seven) Unsecured Creditors as on 30.09.2023 in the First Applicant Company having value of Rs. 29.63 Crores (Rupees Twenty Nine Crores and Sixty Three Lakhs Only). The First Applicant Company has obtained consent from 8 (eight) number of Unsecured Creditors amounting to Rs. 11,07,40,209/- which constitutes 37.37% in value of the total outstanding Unsecured Creditors as on 30.09.2023. In accordance with Section 230(9) of the Companies Act, 2013, the requisite approval for dispensation of meeting is approval from at least 90% creditors in value. The Second Applicant Company has failed to obtain the requisite approval. Therefore, we order that a meeting of Unsecured Creditors, whoever have not given their consent for approval of the Scheme of Transferor Company No.3 be convened.
15. At least 30 clear days before the said meeting of the Unsecured Creditors of the First Applicant Company is to be held as aforesaid, a notice convening the said Meetings at the place, day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230 of the Companies Act, 2013 and the prescribed form of proxy, shall be sent

by email to each of the Unsecured Creditor of the First Applicant Company at their respective last known e-mail addresses as per the records of the First Applicant Company or can be obtained free of charge at the registered office of the First Applicant Company as aforesaid. Unsecured Creditors whose e-mail address is not available, shall be provided an opportunity by way of notice in the advertisement of notice mentioned below to register their e-mail address to receive the notice of the relevant meetings, and to provide access to download the said notices from the website of the First Applicant Company, for those equity shareholders who may not have received the said notice. The First Applicant Company shall publish the respective notices convening the meetings of Unsecured Creditors in “**Business Standard**” in English and “**Navshakti**” in Marathi having circulation in the State of Maharashtra in which the registered office of the First Applicant Company is situated.

16. The First Applicant Company undertakes to:
- i. issue notice convening the meeting of the Unsecured Creditors as per Form No. CAA.2 in accordance with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
  - ii. issue statement containing all the particulars as per Section 230 of the Companies Act, 2013;
  - iii. issue form of proxy as per Form No. MGT-11 in accordance with Rule 19 of the Companies (Management and Administration) Rules, 2014; and
  - iv. advertise the notice convening the said meeting as per Form No. CAA.2 in accordance with Rule 7 the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.



17. That **Mr. Subhash C. Varshney**, IRS, Customs and Excise, Mob: 7021087777/9972784555, email id: varshneyhash@gmail.com shall be the Chairperson of the meeting of Unsecured Creditors of the First Applicant Company. The Scrutinizer for the meeting of the First Applicant Company shall be **Mr. Bharat Upadhyay**, having Registration No. F5436, Contact No: 9833284483, Email: brupadhyay@hotmail.com. The First Applicant Company is directed to pay Rs. 1,50,000/- to the Chairperson and Rs. 50,00,000/- to the Scrutinizer for the said meeting.
18. The Chairperson appointed for the aforesaid meeting of the Unsecured Creditors of the First Applicant Company is to issue the notices of the meeting referred to above. The said Chairperson shall have all powers under the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting, including the manner and mode (whether through video conferencing or physical), and 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 meetings by any person(s).
19. The quorum for the aforesaid meeting of the Unsecured Creditor of the First Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
20. The voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorization duly signed by the person entitled to attend and vote at the meetings, is filed with the First Applicant Company at their respective Registered Office not later than 48 hours before the

aforesaid Unsecured Creditor's meeting as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

21. The Chairperson is to file an affidavit not less than seven days before the date fixed for the holding of the meeting and to report to this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
22. The Chairperson is to report to this Tribunal the result of the aforesaid meetings within thirty days of the conclusion of the meetings, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
23. That there are 26 (twenty six) Unsecured Creditors as on 30.09.2023 in the Second Applicant Company having value of Rs.1.91 Crores (Rupees One Crores and Ninety One Lakhs Only). The meeting of the Unsecured Creditors of the Second Applicant Company for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme is dispensed with in view of the Consent Affidavits given by 2 (two) Unsecured Creditors amounting to Rs. 1,82,26,781/- constituting 95.32% in value of the total outstanding Unsecured Creditors of the Second Applicant Company.
24. The Applicant Companies are directed to serve notices along with a copy of the Scheme under the provisions of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 upon the:
  - a) Central Government through the Office of Regional Director, Western Region, Mumbai;
  - b) Registrar of Companies, Mumbai;

- c) Jurisdictional Income Tax Authority within whose jurisdiction the respective Applicant Companies are assessed to tax, clearly indicating the PAN and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address: 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai 400020, Phone No. 022 22017654 [E-mail : Mumbai.pccit@incometax.gov.in];
  - d) Goods and Service Tax Authority (GST) within whose jurisdiction the GSTIN of the Applicant Companies is registered, clearly indicating GSTIN of the Company concerned;
  - e) Any other Sectoral Regulator or Authority that the Applicant Companies are subjected to as per the laws in force.
25. Additionally, the First Applicant Company is directed to serve notice along with copy of the Scheme upon the Official Liquidator, pursuant to Section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
26. The Notice shall be served through Registered Post-AD/Speed Post/through email along with a copy of the Scheme and state that “If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities have no objection to the proposed Scheme”. It is clarified that notice served through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the notice.
27. The Applicant Companies will submit –
- i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any;

- ii. List of pending IBC cases, if any, along with all other litigations, if any, pending against the Applicant Company having material impact on the proposed Scheme;
  - iii. Details of all Letters of Credit sanctioned and utilized as well as Margin Money details, if any.
28. The Applicant Companies to file Affidavit of Service within 15 (fifteen) days from the last of the compliances as stated in above paragraphs are made and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

**Prabhat Kumar**  
Member (Technical)  
/SP/

Sd/-

**Justice V.G. Bisht**  
Member (Judicial)