

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH – II, CHENNAI**

**CP(CAA)/6-10/(CHE)/2024**

*in*

**CA(CAA)/56-60/(CHE)/2023**

*(filed under Sections 230 to 232 of the Companies Act, 2013)*

In the matter of Composite *Scheme of Amalgamation & Arrangement (Demerger)*  
*Amongst*

**CP(CAA)/6/(CHE)/2024**

*In*

**CA(CAA)/57/(CHE)/2023**

***M/s. TVS Wealth Private Limited***

CIN NO- U65100TN2004PTC052667

*Reg Off:-*

Greenways Towers, Abhiramapuram,  
Chennai – 600 018

Tamil Nadu

*... Petitioner/1<sup>st</sup> Transferor Company*

*With*

**CP(CAA)/7/(CHE)/2024**

*In*

**CA(CAA)/56/(CHE)/2023**

***M/s. TVS Capital Funds Private Limited***

CIN NO- U65191TN1994PTC028851

*Reg Off:-*

Greenways Towers, Abhiramapuram,  
Chennai – 600 018

Tamil Nadu

*... Petitioner/2<sup>nd</sup> Transferor Company*

*With*

**CP(CAA)/8/(CHE)/2024**

*In*

**CA(CAA)/58/(CHE)/2023**

***M/s. TVS Investments Private Limited***

CIN NO- U65993TN2004PTC054696

*Reg Off:-*

Greenways Towers, Abhiramapuram,  
Chennai – 600 018

Tamil Nadu

*... Petitioner/Transferee/Demerged Company*

*With*

**CP(CAA)/9/(CHE)/2024**

**In**

**CA(CAA)/59/(CHE)/2023**

***M/s. Geeyes Capital Funds Private Limited***

CIN NO- U64990TN2023PTC158507

Reg Off:-

Greenways Towers, Abhiramapuram,

Chennai – 600 018

Tamil Nadu

*... Petitioner/ 1<sup>st</sup> Resulting Company*

*With*

**CP(CAA)/10/(CHE)/2024**

**In**

**CA(CAA)/60/(CHE)/2023**

***M/s. Sundaram Investment Private Limited***

CIN NO- U74999TN2018PTC123553

Reg Off:-

Greenways Towers, Abhiramapuram,

Chennai – 600 018

Tamil Nadu

*... Petitioner/ 2<sup>nd</sup> Resulting Company*

*And*

***Their Respective Shareholders & Creditors***

***Order Pronounced on 07<sup>th</sup> June 2024***

CORAM

**SHRI JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)**

**SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

Appearances:

*For Petitioners* : Mr. T.K. Bhaskar, Mr. K. Harishankar &  
Mr. Shruti Krishnan, Advocates

*For RD* : Mr. Avinash Krishnan Ravi, Advocate

*For OL* : Mr. B. Palani, Estate Assitant

**COMMON ORDER**

1. CP(CAA)/6-10(CHE)/2024 are individual Company Petitions filed by the Petitioner Companies viz., ***TVS Wealth Private Limited*** (for brevity "1<sup>st</sup> Transferor Company"), ***TVS Capital Funds Private Limited*** (for brevity "2<sup>nd</sup> Transferor Company"), ***TVS Investments***

*Private Limited* (for brevity “Transferee/Demerged Company”), *Geeyes Capital Fund Private Limited* (for brevity “1<sup>st</sup> Resulting Company”) & *Sundaram Investment Private Limited* (for brevity “2<sup>nd</sup> Resulting Company”) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Composite Scheme of Amalgamation & Arrangement (Demerger) (hereinafter referred to as the “SCHEME”) proposed by the Petitioner Companies with its Shareholders. The said Scheme is appended all the Petitions filed.

2. The Scheme of Amalgamation as contemplated between the Petitioner Companies is divided into the following parts:

*Part I – Deals with definitions, interpretations, share capital of the Companies and date of taking effect and operative date;*

*Part II – Deals with the Amalgamation of TVSWPL & TVSIPL and other related matters;*

*Part III – Deals with the demerger, transfer and vesting of the demerged undertaking 1 from TVSIPL into GCFPL on a going concern basis;*

*Part IV- Deals with the demerger, transfer and vesting of the demerged undertaking 2 from TVSIPL into SIPL on a going concern basis;*

*Part IV- Deals with general terms and conditions applicable to the scheme.*

### 3. RATIONALE OF THE SCHEME

It is stated that the Composite Scheme of Amalgamation & Arrangement (Demerger) would *inter alia* have the following benefits:

A. The proposed Amalgamation of TVSWPL and TVSCFPL into TVSIPL as per Part II of this Scheme is expected, inter-alia, to result in the following benefits:

- a. Consolidation and simplification of group structure and reduction of administrative costs;*
- b. Enable the promoter/promoter group to streamline and simplify their shareholding structure and reduce the number of shareholding tiers;*
- c. Assist in rationalizing the corporate structure;*
- d. Consolidation of group structure, reduction in overheads including administrative, managerial and other expenditure, significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by TVSWPL, TVSCFPL and TVSIPL separately*
- e. Result in savings of administration and other costs associated with managing separate entities; and*
- f. Optimum and efficient utilization and rationalization of capital, resources, assets and facilities.*

B. The proposed Demerger of Demerged Undertaking 1 from TVSIPL to GCFPL as per Part III of this Scheme and proposed demerger of Demerged Undertaking 2 from TVSIPL to SIPL as per Part IV of this Scheme is expected, inter-alia, to result in the following benefits:

- a. Facilitate enhancement of the potential of the businesses so segregated for attracting strategic/financial investors having necessary ability, experience and interests in the*

*business of Demerged Undertaking 1 and Demerged Undertaking 2 respectively;*

- b. Continuation of control of Mr. Gopal Srinivasan over the asset management business and portfolio management services businesses that are proposed to be demerged pursuant to Part III of the Scheme into the Resulting Company 1 which shall act as an investment manager for all existing alternative investment funds including TVS Shriram Growth Fund-1A, TVS Shriram Growth Fund 1B, TVS Shriram Growth Fund-3 and to any future funds / Schemes that are launched by the group and also act as the 'sponsor' and contribute to all such existing and future funds as such sponsor;*
- c. Allow TVSIPL, GCFPL and SIPL to pursue an independent growth strategy for its targeted client base;*
- d. Enable TVSIPL, GCFPL and SIPL to have a focused strategy and specialization for sustained growth and profitability;*
- e. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital; and*
- f. Provide scope of separate companies for independent collaboration and expansion.*

The Scheme is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

#### **4. 1<sup>ST</sup> MOTION APPLICATION**

4.1 The Petitioner Companies had individual First Motion Applications vide CA(CAA)/56-60/CHE/2023. Based on such applications moved under Sections 230-232 of the Companies

Act, 2013, directions were issued by this Tribunal, vide common order dated 22.12.2023, for dispensation of meetings as sought by the Applicant Companies.

4.2 Subsequent to the said common order dated 22.12.2023, a corrigendum dated 10.01.2024 was issued and a certified copy of the said corrigendum was issued on 17.01.2024. Thereafter, the instant Company Petition(s) were e-filed on 29.01.2024 which is well within the limitation. Thereafter, on 14.02.2024, this Tribunal had passed individual orders directing issuance of notice to the Sectoral Regulators along with the Authorities concerned and for publication in 'Business Line' (English-All India Edition) and 'Malai Malar' (Tamil-Tamil Nadu Edition) by the Petitioner Companies.

4.3 Pursuant to the said directions, notices were served on the Sectoral Regulators and other Authorities by the Petitioner Companies on 08.03.2024 and the publications as directed were made on 07.03.2024 by the Petitioner Companies. Individual Affidavit(s) of service confirming the services and publications are placed on record vide Dy. nos. 1632-1636/02.04.2024.

## **5. STATUTORY AUTHORITIES**

### **5.1. REGIONAL DIRECTOR**

5.1.1 The Regional Director Southern Region, (*hereinafter referred to as 'RD'*) Chennai submitted his Report dated 09.04.2024 before the Tribunal stating that they have *no objection to the Scheme except*

*for the observation at paras 15,19 & 20 of the report, it is therefore prayed that this National Company Law Tribunal Bench at Chennai may dispose of the matters on merits duly considering the report of the Official Liquidator, Chennai. The observations of the RD in paras 15,19 & 20 are as extracted hereunder,*

*“15. It is submitted that Clause 14.1 and 14.2 of Part-II of the Scheme provides that upon the scheme becoming effective, the authorized capital of the First and Second Transferor Companies shall stand combined with authorized capital of Transferee Company and in para 14.3 of the scheme it is stated that Transferee Company shall pay the difference fee if any for enhanced authorized capital subsequent to amalgamation after setting off the fee already paid by the Transferor Company as per the provisions of Section 232(3)(i) of the Companies Act, 2013. Further, the resulting company shall also undertake to pay the fee on increase in authorized share capital and file the amended MOA and AOA with the ROC.*

*19. It is submitted that Clause 19 of Part III of the scheme provides that upon part III of the scheme becoming effective, the name of the Resulting Company -1 shall automatically stand changed without any further act, instrument or deed on the part of the Resulting - Company 1 to TVS Capital Funds Private Limited” and the Memorandum and Articles of Association of the Resulting Company-1 shall without any further act, instrument or deed, be stand altered, modified and amended. Further, the Hon’ble Tribunal may direct the Resulting Company-1 to comply with applicable provisions of the Companies Act, 2013 and the relevant Rules and file the amended MOA and AOA with Roc, Chennai.*

*20. It is submitted that Clause 32 of Part -IV of the scheme provides that upon Part-IV of the scheme becoming effective, the name of Resulting Company -2 shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company 2 to “TVS Wealth Private Limited and the*

*Memorandum and Articles of Association of the Resulting Company -2 shall without any further act, instrument or deed be stand altered, modified and amended. Further, the Hon'ble Tribunal may direct the Resulting Company -2 to comply with the applicable provisions of the Companies Act, 2013 and the relevant Rules and file the amended MOA and AOA with the ROC."*

5.1.2 It is seen from the report that, the Petitioner Companies have filed their statutory returns up to 31.03.2023 and reported that no prosecution / Inspection or Investigation is pending against the Companies involved in the Scheme.

5.1.3 Individual Affidavits in reply to the above observations by the Regional Director is filed by the Petitioner Companies Concerned with an undertaking to comply with the requirements under Section 232(3)(i) of the Companies Act, 2013 and that the differential fees will be paid by the Transferee Company, Resulting Company (1&2) after setting off the fees already paid by the Transferor Company. Further also undertakes to file the amended MOA & AOA with the Registrar of Companies concerned. As far as observation in para 20 is concerned the 2<sup>nd</sup> Resulting Company also undertakes to follow the procedure laid down by the act for changing its name as contemplated in the Composite Scheme.

## **5.2 OFFICIAL LIQUIDATOR**

5.2.1 The Official Liquidator, (*hereinafter referred to as 'OL*) Chennai, filed his Report dated 12.04.2024. The Official Liquidator has reported that M/s. N.R. Krishnamoorthy & Co., Chartered



Accountants have scrutinized the records of the Companies and has observed as follows,

*“5. On scrutiny of the records of the Transferor Companies, the Chartered Accountants are of the opinion that the business of the Transferor Companies were not carried on with intent to defraud the creditors of the companies or for any fraudulent purpose attracting the provisions of Section 339 of the Companies Act, 2013. The Chartered Accountants further reported that the Chartered Accountants have not come across any act within the meaning of Section 340 of the Companies Act, 2013, wherein the Directors have misapplied or retained or become liable or accountable for any money or property of the companies or have been guilty of any misfeasance or breach of trust in relation to the company or have been involved in diversion of funds prejudicial to the interests of the companies.*

*6. Accordingly, on the basis of documents produced before the Official Liquidator and on the basis of the documents available in the MCA data base and also considering the facts mentioned by the auditors in their report dated 22.3.2024, the Official Liquidator is of the view that the petition may be considered fairly as the affairs of the companies have not been conducted in a manner prejudicial to the interest of its creditors or public.*

*7. In view of the above, the Official Liquidator humbly submits that the above facts for consideration of this Hon’ble Tribunal and prays for the following orders:-*

- a) To take this report on record and consider the report of M/s. N.R. Krishnamoorthy & Co., Chartered Accountants,*
- b) To fix remuneration payable to the auditor who has investigated into the affairs of the 1st and 2nd Transferor Companies,*
- c) To direct the Applicant Companies to deposit such remuneration / fee within the stipulated period as prescribed by this Hon’ble Tribunal;*

*d) And pass such order/orders as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case."*

5.2.2. The report is taken on record and this Tribunal directs the 1<sup>st</sup> & 2<sup>nd</sup> Transferor Company(s) to pay a sum of **Rs. 50,000/- each** (*Rupees fifty thousand only*) + **GST** to the Official Liquidator for the payment of fees payable towards the Auditor who has investigated into the affairs of the Transferor Company(s).

### **5.3 INCOME TAX DEPARTMENT**

5.3.1 The Income Tax Department, (*hereinafter referred to as 'IT'*) concerned has sent their office letter dated 22.02.2024 to the Companies Concerned with the details of outstanding and reserves their rights. The observation at page 3 of the said is letter is as extracted hereunder,

*"15. It is submitted that all tax assessment proceedings and appeals of whatsoever nature, by or against the transferor company, pending or arising as at the effective date shall be permitted to be continued and/ or enforced against the Transferor company (M/s TVS Capital Funds Private Limited), Transferee company or Demerged Company (M/s TVS Investments Private Limited) and Resultant company (M/s Sundaram Investment Private Limited). The department craves leave of Hon'ble NCLT to determine the tax implications of the Transferor Company, Demerged Company and Resultant company contemplated under the scheme in accordance with the provisions of the IT Act, 1961 and to proceed with appropriate remedial action available to the department as per the Income Tax Act, 1961, if the implementation of the scheme is found to be prejudicial to the Interest of the Revenue, later at any point of time."*

5.3.2 Individual Affidavits in reply to the above observations by the Income Tax Department is filed by the Petitioner Companies Concerned with an undertaking that the tax implications of the 2<sup>nd</sup> Transferor, Demerged and 2<sup>nd</sup> Resulting Company is contemplated under the proposed scheme as per the provisions of the Income Tax.

#### 5.4 OTHER STATUTORY AUTHORITIES

5.4.1 In relation to the other statutory authorities namely, the Securities Exchange Board of India to whom notice was issued has neither filed any reply nor raised any objections to the Scheme. In the said circumstances, this Tribunal presumes that the authority concerned has no objection to the proposed scheme.

### 6. VALUATION & ACCOUNTING TREATMENT

6.1 In the valuation certificate given by **Mr. CA Harsh Chandrakant Ruparelia**, IBBI Registered Valuer, the consideration for fair equity share exchange ratio for the proposed Scheme is recommended as follows,

<i>S.No.</i>	<i>Particulars</i>	<i>Share Exchange Ration/Share Entitlement Ratio</i>
1.	<i>For Equity Shareholders of TVSWPL</i>	<i>The entire paid-up equity share capital of TVSWPL is held by TVSCFPL. Since, TVSCFPL is being amalgamated with TVSIPL, no shares are being issued to the shareholders of TVSWPL, being TVSCFPL itself.</i>
2.	<i>For Equity Shareholders of TVSCFPL</i>	<i>281 Equity Shares having face value of INR 1/- each of TVSIPL to be issued to the equity shareholders of TVSCFPL for every 1,000 Equity Shares held in TVSCFPL</i>

3.	For Equity Shareholders of TVSIPL on demerger to GCFPL	15,073 Equity Shares having face value of INR 10/- each of GCFPL to be issued to the equity shareholders of TVSIPL for every 1000 Equity Shares held in TVSIPL.
4.	For Equity Shareholders of TVSIPL on demerger to SIPL	10 Equity Share having face value of INR 10/- each of SIPL to be issued to the Equity Shareholders of TVSIPL for every 100 Equity Shares held in TVSIPL.

6.2 The Learned Counsel for the Petitioner companies submits that the Statutory Auditor of the Petitioner companies have examined the Scheme and individually certified that the Petitioner companies have complied the provisions of Section 230 - 232 and the Accounting Treatment contained in the proposed Scheme is in compliance with the Applicable Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read with the rules made there under and other generally accepted accounting principles in India. The Certificates issued by the Statutory Auditor certifying the Accounting Treatment of the Petitioner Companies are filed as Additional Documents to the petition(s) in Dy. Nos. 1511-1515/26.03.2024.

## 7. APPOINTED DATE & EFFECTIVE DATE

7.1 The Petitioner Companies in the Proposed Composite Scheme of Amalgamation & Arrangement (Demerger) has indicated **01<sup>st</sup> April 2024** as the “Appointed Date”.

7.2 Effective date in Clause 1.1.10 of the Scheme is as follows, “Effective Date” - means the last date of the dates on which the

conditions specified in clause 44 of the Scheme are complied with. Reference in the Scheme to the date of “Coming into effect of the Scheme” or “upon the scheme being effective” shall mean the effective date;

## 8. OBSERVATIONS OF THIS TRIBUNAL

8.1. After analysing the Scheme in detail, this Tribunal is of the considered view that the Composite scheme as contemplated amongst the Petitioner Companies *prima facie* would not be in any way detrimental to the interest of the shareholders of the Companies.

8.2 From the report of the RD we understand that no investigation proceedings are pending against the Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the petitioner companies for oppression or mismanagement have been filed before this Tribunal or erstwhile Company Law Board.

8.3 Further, the Scheme does not require any modification as it appears to be fair and reasonable, not contrary to public policy and also not violative of any provisions of law. All the statutory compliances have been made under section 230-232 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Composite Scheme of Amalgamation & Arrangement (Demerger) between the Petitioner Companies

was duly approved by the shareholders of the respective companies.

8.4 In the absence of any other objections/observations other than the Regional Director & Income Tax Department, and since all the requisite statutory compliances have been fulfilled, this Tribunal *sanctions the Composite Scheme of Amalgamation & Arrangement (Demerger)* appended with the Company Petition(s) as well as the prayer made therein.

8.5 The Appointed date of the said Scheme is **1<sup>st</sup> April 2024**. The said Composite Scheme of Amalgamation & Arrangement (Demerger) will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditor/s in any manner.

Taking into consideration all the above, the Company Petition(s) is **allowed** and the Composite Scheme of Amalgamation & Arrangement (Demerger) annexed with the petition(s) is hereby **sanctioned** which shall be binding on all the members, creditors and shareholders.

8.6 While approving the scheme as above, we clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.

8.7 The Companies to the said Scheme or other persons interested, shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme. The Petitioner Companies shall file with the Registrar of Companies, the certified copy of this Order, within 30 days of the receipt of the order.

8.8 The Order of sanction to this Scheme shall be prepared by the Registry as per the relevant format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14<sup>th</sup> December, 2016.

**9. THIS TRIBUNAL DO FURTHER ORDER**

(i) That all properties, rights, interests, liabilities, powers, engagements, obligations and duties of the companies involved shall stand modified in terms of the Scheme; and

(ii) The 'Appointed date' shall be **01<sup>st</sup> April, 2024**.

(iii) That the issue and allotment of shares to such and such members of the companies concerned be allotted without further application to such members, as have not given such notice of dissent, as is required by the Composite Scheme of Amalgamation & Arrangement (Demerger).

(iv) That the 1<sup>st</sup> & 2<sup>nd</sup> Transferor Company shall stand dissolved without being wound up.

(v) That the 1<sup>st</sup> & 2<sup>nd</sup> Resulting Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies, concerned.

(vi) That the Petitioner Companies, shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, Registrar of Companies shall maintain the files relating to all the Petitioner companies in a consolidated manner.

(vii) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

10. Accordingly, the Scheme annexed with the petition(s) is **Sanctioned** and **CP(CAA)/6-10(CHE)/2024** stand **allowed**.

**-Sd-**

**RAVICHANDRAN RAMASAMY**  
MEMBER (TECHNICAL)

**-Sd-**

**JYOTI KUMAR TRIPATI**  
MEMBER (JUDICIAL)