



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (COURT-II)
KOLKATA**

Company Petition (CAA) No. 71/KB/2024
Connected with
Company Application (CAA) No. 22/KB/2024

***An application under Section 230(6) read with Section 232(3) of
the Companies Act, 2013 read with the Companies (Compromises,
Arrangements and Amalgamations) Rules, 2016, and other
applicable provisions of the law.***

IN THE MATTER OF:

A Scheme of Amalgamation of (Final Motion):

Vedant Fashions Limited, a company incorporated under the Companies Act, 1956 and is a Company within the meaning of the Companies Act, 2013, having Corporate Identification No. L51311WB2002PLC094677 and its registered office at Paridhan Garment Park, 19 Canal South Road, SDF 1, 4th Floor, A501-A502, Kolkata- 700015.

..... **Petitioner Company No. 1. / Transferee Company**

And

Manyavar Creations Private Limited, a company incorporated under the Companies Act, 2013, having Corporate Identification No. U17299WB2017PTC219874 and its registered office at 1st Floor, Unit No. 5, Part C, Block A, Srijan Industrial Logistics Park, NH6, Bombay Road, Howrah-711302.

..... **Petitioner Company No. 2. / Transferor Company**

IN THE MATTER OF:

1. Manyavar Creations Private Limited.
2. **Vedant Fashions Limited.**

.... **Petitioners**

Date of Pronouncement: 11.11.2024

Coram:

Smt. Bidisha Banerjee, Member (Judicial)

Shri. D. Arvind, Member (Technical)

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Appearances (via Hybrid Mode):

Mr. Kovid Mukherjee, CS.] For the Petitioner
Mr. Sudhir Kapoor] **For RD, Eastern Region,
MCA**

ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. The court convened through a hybrid mode.
2. The instant petition has been filed under Section 230(6) read with Section 232(3) of the Companies Act, 2013 (“**Act**”) sanctioning the Scheme Of Amalgamation of **Manyavar Creations Private Limited**, being the Petitioner No.1 abovenamed (“**Transferor Company**”), with **Vedant Fashions Limited**, being the Petitioner No. 2 abovenamed (“**Transferee Company**”) whereby and whereunder the Transferor Companies are proposed to be amalgamated with the Transferee Company from the **Appointed Date**, that is **1st April 2024** in the manner and on the terms and conditions stated in the said Scheme of Amalgamation.
3. The Petition has now come up for a final hearing. Ld. Authorised Representative for the Petitioners submits as follows:-
 - (a)The Scheme was approved unanimously by the respective Board of Directors of the Petitioner Companies at their meetings held on 25th January 2024 respectively.
 - (b)The circumstances which justify and/or have necessitated the Scheme and the benefits of the same are, inter alia, as follows:-
 - i. This Scheme is expected to streamline and rationalize the group structure.
 - ii. The consolidation of business would lead to synergies in operational process and logistics alignment, creating better

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synergy, better utilisation of human resources and further development and growth of business via a single entity, Vedant Fashions Limited.

- iii. The proposed Scheme would result in simplification of group structure under common management by consolidating the business of wholly owned subsidiary of Transferee Company into a single entity, i.e., Vedant Fashions Limited.
 - iv. The consolidation of business would lead to elimination of duplicative communication and coordination efforts across multiple entities and pooling of resources as well as optimum utilisation of resources.
 - v. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, administration, finance, accounts, legal, and other related functions, leading to elimination of duplicative activities and rationalization of administrative expenses.
 - vi. This Scheme, as envisaged, is in the interest of the shareholders, creditors, employees, and other stakeholders of each of the companies by pursuing a focused business approach under Vedant Fashions Limited, thereby resulting in overall maximization of value creation of all the stakeholders involved.
 - vii. The amalgamation will result in streamlining the group structure, rationalization of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.
- (c) The Statutory Auditors of respective Petitioner Companies have by their certificates dated 25th January 2024 confirmed that the

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accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

(d) No proceedings are pending under Sections 210 to 227 of the Companies Act, 2013 against the Petitioner(s).

4. It is submitted by Ld. Authorised Representative appearing for the Applicant(s) that the Transferee Company is a Listed Company. Copy of the intimation submitted to Stock Exchange in compliance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is annexed to the Company Petition being **'Annexure K' in Volume-II at Page No(s). 327-329.**
5. By an order dated 6th March 2024 in Company Application (CAA) No. 22/KB/2024, this Tribunal made the following directions with regard to meetings of shareholders and creditors under Section 230 (1) read with Section 232(1) of the Act: -

(a) Meetings dispensed:

- i. In view of the consents given in the affidavit form by all the equity shareholders of the Petitioner Company No. 2, the requirement of convening and holding separate meetings of the shareholders of the Transferor Company is dispensed with.
- ii. In view of the consents received from Unsecured Creditors in affidavit form by 93.67% of the Petitioner Company No. 2 the requirement of convening and holding separate meetings of the Unsecured Creditors of the Transferor Company is dispensed with.
- iii. Since the rights of shareholders of the Transferee Company are not affected since there will be no issue of shares pursuant to the Scheme of Amalgamation and there would be absolutely no changes in the Issued, Subscribed and Paid-up equity share capital of the Transferee Company and the rights of the creditors

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of the Transferee Company are not affected since there will be no reduction in their claims and the assets of the Transferee Company, post Scheme, will be more than sufficient to discharge their claims and the net worth of the Transferee Company is significantly positive. The meeting of the Equity Shareholder; Secured Creditors and Unsecured Creditors of the Petitioner Company No. 1 is dispensed with.

(b) No requirement of Meetings

The Transferor Company have NIL Secured Creditors, verified by Chartered Accountant certificate, the requirement of convening and holding separate meetings of the Secured Creditors of the Transferor Company does not arise.

(c) Meetings to be held

No meetings are required to be held.

6. Consequently, the Petitioner(s) presented the instant petition for sanction of the Scheme. By an order dated 10th June, 2024 the instant petition was admitted by this Tribunal and fixed for hearing on 23rd July, 2024 upon issuance of notices to the Statutory/Sectoral Authorities and advertisement of date of hearing. In compliance with the said order dated 10th June, 2024, the Petitioner(s) have duly served such notices on the Regulatory Authorities viz Central Government through Regional Director Eastern Region, Registrar of Companies, Official Liquidator, Income tax Department having jurisdiction over the respective Petitioners, by hand at their respective addresses on 19th June, 2024 and by speed post at their respective addresses on 20th June, 2024 and obtained the acknowledgement receipts for the same. Further in compliance with the said order dated 10th June, 2024, the Petitioner(s) have duly served such notices upon the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited by email on 19th June, 2024 and by speed post at their

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respective addresses on 20th June, 2024 respectively and obtained the acknowledgement receipts for the same. The Petitioner(s) have also published such advertisements once each in “Financial Express”, Kolkata in its issue dated 26th June, 2024 and in “Aajkal”, Kolkata in its issue dated 26th June, 2024. An affidavit of Compliance duly affirmed has also been filed on 11th July, 2024 in respect of compliance of all directions contained in the said order dated 10th June, 2024.

7. All statutory formalities requisite for obtaining the sanction of the Scheme have been duly complied with by the Petitioners. The Scheme has been made bona fide and is in the interest of all concerned.
8. Pursuant to the said advertisements and notices the Regional Director, Ministry of Corporate Affairs, Kolkata (“RD”), Official Liquidator, High Court, Calcutta have filed their representations before this Tribunal.
9. The Official Liquidator has filed his report dated 11th June 2024 and concluded interalia as under: -

“7. That the Official Liquidator has not received any complaint against the proposed Scheme of Amalgamation from any person/party interested in the Scheme in any manner till the date of filing of this Report.

8. That the report of Official Liquidator is based upon the documents/ reply submitted by the Petitioner Companies. Balance Sheet, Memorandum and Article of Association and other documents furnished by the Petitioner Companies has not been enclosed with the report as the same are already on records of National Company Law Tribunal.

9. That the Official Liquidator on the basis of information submitted by the Petitioner Companies is of the view that the affairs of the aforesaid Transferor Companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to

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public interest as per the provisions of the Companies Act, 1956/ the Companies Act, 2013 whichever is applicable.”

10. The RD has filed his reply affidavit dated 29th August 2024 (“**RD affidavit**”) which has been dealt with by the Petitioners by their Rejoinder affidavit dated 24th October 2024. The observations of the RD and responses of the Petitioner(s) are summarized as under: -

(a) Paragraph No. 2 (a) of RD affidavit: *That it is submitted that on the examination of report of the Registrar of Companies, West Bengal, it appears that no complaint and/or representation has been received against the proposed Scheme of Amalgamation. Further, both the applicant companies are up-dated in filing their Financial Statements and Annual Returns for the financial year ended 31/03/2023.*

Paragraph No. 3 of Rejoinder: With regard to paragraph 2(a) and 2(b) of the said affidavit, I say that the same are matters of record.

(b) Paragraph No. 2 (b) of RD affidavit: *It is submitted that the equity shares of the Transferee Company, Vedant Fashions Limited is listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Transferor Company, Manyavar Creations Private Limited is a Wholly Owned Subsidiary of the said Transferee Company. In a communication, the Petitioners submitted that in terms of Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the provisions of Regulation 37 of SEBI Listing Regulations are not applicable to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding Company. Hence, 'No Objection letter' on the Scheme is not required to be obtained from the Stock Exchanges on which equity shares of the Transferee Company are listed. However, in accordance with the provision of Regulation 37(6) of the SEBI Listing Regulations read with the*

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provision of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20/06/2023 such drat schemes were filed with the Stock Exchanges for the purpose of disclosures. In view of this, Hon'ble Tribunal may peruse the same and issue order as deemed fit and proper.

Paragraph No. 3 of Rejoinder:

With regard to paragraph 2(a) and 2(b) of the said affidavit, I say that the same are matters of record.

(c) Paragraph No. 2 (c) of RD affidavit: *The Petitioner Companies should be directed to provide list/details of Assets, if any, to be transferred from the Transferor Company to the Transferee Company upon sanctioning of the proposed Scheme.*

Paragraph No. 4 of Rejoinder: With regard to paragraph 2(c), of the said affidavit, I say that the schedule of assets of the Transferor Company which will be forming part of the certified copy of the order pronounced by this Hon'ble National Company Law Tribunal is attached herewith as per **Annexure A**.

(d) Paragraph No. 2 (d) of RD affidavit: *That the Petitioner company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013, if applicable, through appropriate affirmation.*

Paragraph No. 5 of Rejoinder: With regard to paragraph 2(d) of the said affidavit, I say that the Transferee Company undertakes that it shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 with regard to set off of fees paid by the Transferor Company against fees payable by the Transferee Company upon clubbing of authorised share capital of the Transferor Company with the authorised share capital of the Transferee Company post-amalgamation and shall file a detailed

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statement thereof with the Registrar of Companies at the time of the filing of Form INC-28.

(e) Paragraph No. 2 (e) of RD affidavit: *That the Transferee Company should be directed to pay applicable stamp duty on the transfer of the immovable properties from the Transferor Company to it.*

Paragraph No. 6 of Rejoinder: With regard to paragraph 2(e) of the said affidavit, say that the Transferee Company undertakes that it shall pay applicable stamp duty on the transfer of the immovable properties from the Transferor Company to it, if any.

(f) Paragraph No. 2 (f) of RD affidavit: *The Hon'ble Tribunal may kindly direct the Petitioners 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.*

Paragraph No. 7 of Rejoinder: With regard to paragraph 2(f) of the said affidavit, I say on behalf of both the Petitioners that the Scheme files with the Company Application and Company Petition are same and there is no discrepancy or change is made in the scheme.

(g) Paragraph No. 2 (g) of RD affidavit: *It is submitted that as per instructions of the Ministry of Corporate Affairs, New Delhi, a copy of the scheme was forwarded to the Income Tax Department on 01/05/2024 for their views/observation in the matter. However, no such views/observation in the matter from the Income Tax Department has been received yet. Hon'ble Tribunal may peruse the same and issue order as deemed fit and proper.*

Paragraph No. 8 of Rejoinder: With reference to paragraph 2(g) of the said affidavit, I say that the same are matters of record.

11. Heard submissions made by the Ld. Authorised Representative appearing for the Petitioner and RD(ER). The Regional Director has no

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objection to the scheme. Upon perusing the records and documents in the instant we allow the petition and make the following orders: -

- (a) The Scheme of Amalgamation mentioned in the Petition being **“Annexure A”** hereto is sanctioned by the Tribunal with the appointed date fixed as **1st April 2024** and shall be binding on Manyavar Creations Private Limited (herein referred to as Transferor Company) with Vedant Fashions Limited (herein referred to as Transferee Company) and their Shareholders, creditors and all concerned;
- (b) all the property, rights and powers of the Transferor Company, including those described in the Schedule of Assets herein, be transferred from the said Appointed Date, without further act or deed, to the Transferee Company and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act, 2013, be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same, as provided in the Scheme;
- (c) all the debts, liabilities, duties and obligations of the Transferor Company be transferred from the said Appointed Date, without further act or deed to the Transferee Company and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act, 2013, be transferred to and become the debts, liabilities, duties and obligations of the Transferee Company;
- (d) the employees of the Transferor Company shall be engaged by the Transferee Company, as provided in the Scheme;
- (e) all proceedings and/or suits and/or appeals now pending by or against the Transferor Company be continued by or against the Transferee Company, as provided in the Scheme;

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- (f) Any proceedings by Income Tax authorities on any of the Petitioner Companies shall be carried on/continued against the Transferee Company for which the necessary records of the concerned Petitioner Companies, shall be preserved by the Transferee Company as required under Section 239 of the Companies Act 2013;
- (g) The Transferee Company do without further application issue and allot to the Shareholders of the Transferor Company, the shares in the Transferee Company to which they are entitled in terms of the Scheme;
- (h) Leave is granted to the Petitioners to file the Schedule of Assets & liabilities of the Transferor Company in the form as prescribed in the Schedule to Form No. CAA-7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date of the order;
- (i) In case of any default including any Provisions of Income Tax Act in this respect of the Transferor Company, the Income Tax Department, the ROC, West Bengal and all other Statutory Department shall be at liberty to initiate appropriate proceedings against the Transferee Company, which after the sanction of the scheme by this Tribunal is in any case responsible for the liabilities/non-compliance of the Transferor Company also. Necessary records pertaining to the Transferor Company shall be preserved by the Transferee Company as required by law.
- (j) The Transferee Company and Transferor Company do each within thirty days of the date of the receipt of this order (effective date), cause a certified copy to be delivered to the Registrar of Companies for registration;

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- (k) The Transferor Company shall stand dissolved without winding up upon the scheme from the effective date, subject to compliance of Section 239 of the Companies Act 2013.
12. The Petitioners shall supply legible print out of the scheme and schedule of assets in acceptable form to the registry and the registry will upon verification, append such printout, to the certified copy of the order.
13. **Company Petition (CAA) No.71/KB/2024** connected with **Company Application (CAA) No.22/KB/2024** is **disposed of** accordingly.
14. Certified copy of this order, if applied for, be supplied to the parties, subject to compliance with all requisite formalities.

D Arvind
Member (Technical)

Bidisha Banerjee
Member (Judicial)

Order signed on the 11th Day of November 2024

A.S. LRA