



Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397
Regd. Off.: Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opp. Parel ST Depot,
Prabhadevi, Mumbai – 400025
Board: +91 22 7193 4200 / 4263
Fax: +91 22 5036 2365

March 25, 2022

BSE Limited

P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001
Security code: 532892

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051
Symbol: MOTILALOFIS

Sub: Receipt of final Order issued by Hon'ble National Company Law Tribunal in respect of Scheme of Arrangement

Ref: Regulation 30 read with Para B of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

This is with reference to our letter dated December 24, 2020, informing the Exchange about the decision of the Board of Directors of the Company approving the Scheme of Arrangement between Passionate Investment Management Private Limited ("the Transferor Company 1" or "PIMPL") and MOPE Investment Advisors Private Limited ("the Transferee Company 2" or "the Demerged Company 1" or "the Transferor Company 3" or "MOPE") and Motilal Oswal Real Estate Investment Advisors Private Limited ("the Transferor Company 2" or "MORE") and Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Demerged Company 2" or "the Transferor Company 4" or "MORE II") and MO Alternate Investment Advisors Private Limited ("the Resulting Company" or "MO Alternate") and Motilal Oswal Financial Services Limited ("the Transferee Company 1" or "the Holding Company of the Resulting Company" or "MOFSL" or "the Company") and their respective Shareholders ("the Scheme") pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, subject to receipt of applicable regulatory and other approvals.

In this regard, we are pleased to inform you that the Company has received today i.e., March 25, 2022 the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") dated March 11, 2022 sanctioning the Scheme.

An uncertified copy of the said Order is made available on the Hon'ble NCLT website. The Order of the Hon'ble NCLT as uploaded on their website is attached for your record.



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The Scheme will become effective once the Order of the Hon'ble NCLT is filed by the respective companies with the Registrar of Companies, Mumbai.

Kindly take the aforesaid on record.

Thanking you,

Yours faithfully,

Motilal Oswal Financial Services Limited

Kailash Purohit
Company Secretary & Compliance Officer
(ACS: 28740)

Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL,

COURT No. V MUMBAI BENCH

CA(CAA)/135/MB/2021

Connected with

CP(CAA)/4/MB/2022

In the matter of

The Companies Act, 2013;

and

In the matter of

Sections 230-232 and other relevant provisions of the Companies Act, 2013;

and

In the matter of Scheme of Arrangement between Passionate Investment Management Private Limited (“the Transferor Company 1” or “PIMPL”) and MOPE Investment Advisors Private Limited (“the Transferee Company 2” or “the Demerged Company 1” or “the Transferor Company 3” or “MOPE”) and Motilal Oswal Real Estate Investment Advisors Private Limited (“the Transferor Company 2” or “MORE”) and Motilal Oswal Real Estate Investment Advisors II Private Limited (“the Demerged Company 2” or “the Transferor Company 4” or “MORE II”) and MO Alternate Investment Advisors Private

Limited (“the Resulting Company” or “MO Alternate”) and Motilal Oswal Financial Services Limited (“the Transferee Company 1” or “the Holding Company of the Resulting Company” or “MOFSL”) and their respective Shareholders (“the Scheme”).

Passionate Investment Management Private Limited

CIN: U67120MH1995PTC092014

...the First Petitioner Company

MOPE Investment Advisors Private Limited

CIN: U67110MH2006PTC161128

....the Second Petitioner Company

Motilal Oswal Real Estate Investment Advisors Private Limited

CIN: U74999MH2013PTC248200

...the Third Petitioner Company

Motilal Oswal Real Estate Investment Advisors II Private Limited

CIN: U67190MH2014PTC253958

...the Fourth Petitioner Company

MO Alternate Investment Advisors Private Limited

(Erstwhile Motilal Oswal Fincap Private Limited)

CIN: U65100MH2007PTC170211

...the Fifth Petitioner Company

Motilal Oswal Financial Services Limited

CIN: L67190MH2005PLC153397

...the Sixth Petitioner Company

(Hereinafter collectively referred to as “Petitioner Companies”)

Order delivered on: 11.03.2022

Coram:

Hon’ble Ms. Suchitra Kanuparthi, Member (Judicial)

Hon’ble Ms. Anuradha Sanjay Bhatia, Member (Technical)

Appearances (via videoconferencing):

For the Applicants: Hemant Sethi, Ms. Vidisha Poonja i/b Hemant Sethi & Co., Advocates

For the Regional Director (WR): Ms. Rupa Sutar, Deputy Director

Per: Anuradha Sanjay Bhatia, Member (Technical)

ORDER

1. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) to the said Scheme of Arrangement between Passionate Investment Management Private Limited (“the Transferor Company 1” or “the First

Petitioner Company”) and MOPE Investment Advisors Private Limited (“the Transferee Company 2” or “the Demerged Company 1” or “the Transferor Company 3” or “the Second Petitioner Company”) and Motilal Oswal Real Estate Investment Advisors Private Limited (“the Transferor Company 2” or “the Third Petitioner Company”) and Motilal Oswal Real Estate Investment Advisors II Private Limited (“the Demerged Company 2” or “the Transferor Company 4” or “the Fourth Petitioner Company”) and MO Alternate Investment Advisors Private Limited (“the Resulting Company” or “the Fifth Petitioner Company”) and Motilal Oswal Financial Services Limited (“the Transferee Company 1” or “the Holding Company of the Resulting Company” or “the Sixth Petitioner Company”) and their respective Shareholders (“the Scheme”).

2. This Court is convened by video conference. Heard Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
3. The Petitioner Companies have approved the Scheme by passing the Board Resolutions at their respective board meetings held on 24th December 2020 and have approached the Tribunal for sanction of the Scheme.
4. The Counsel for the Petitioner Companies further submits that the rationale for the Scheme is as under:

Amalgamation of the Transferor Company 1 with the Transferee Company 1

- (i) The Transferee Company 1 is the flagship company of the Motilal Oswal Group (“the Group”).
- (ii) The Transferor Company 1 forms part of the Promoter Group of the Transferee Company 1. It is equally owned by Mr. Motilal Oswal and Mr. Raamdeo Agrawal and their family members / family trusts.
- (iii) The Transferor Company 1 presently holds 8,49,21,363 equity shares of the Transferee Company 1 of face value of INR 1/- each, representing about 57.95% of the total paid up share capital of the Transferee Company 1 as on date.
- (iv) It is proposed to amalgamate the Transferor Company 1 into the Transferee Company 1, as a result of which the shareholders of the Transferor Company 1 (Mr. Motilal Oswal and Mr. Raamdeo Agarawal and their family members / family trusts) who also form part of the Promoter Group of the Transferee Company 1 shall directly hold shares in the Transferee Company 1.
- (v) This will lead to clear cut and straight forward shareholding structure and eliminating needless layers of shareholding tiers and at the same time demonstrate the Promoter Group’s direct commitment and engagement with the Transferee Company 1 and improve the confidence of all shareholders.

Amalgamation of the Transferor Company 2 into the Transferee Company 2 and Demerger of the Fund Management Undertakings

of the Demerged Companies into the Resulting Company and consequent amalgamation of the Transferor Company 3 and Transferor Company 4 with the Transferee Company 1.

(vi) Consolidation of fund management business of the Group:

- The Transferor Company 2 and the Demerged Companies are currently managing and advising three private equity growth capital and four real estate funds. The Demerged Company 1 primarily caters to four industry sectors, i.e., consumer products & services, financial services, life sciences and industrial products whereas the Transferor Company 2 and the Demerged Company 2 are focused on real estate sectors.
- The Transferor Company 2 and the Demerged Companies have emerged as a strong alternative investment platform in mid-market segment.
- It is considered necessary to consolidate the fund management business and investment advisory services across sectors in a single entity. As the Transferor Company 2 is a wholly owned subsidiary of the Demerged Company 1, considering there are no material activities left in the Transferor Company 2 for absorption by the Transferee Company 1, the Group is proposing to amalgamate the Transferor Company 2 into the Demerged Company 1. This will be followed by demerger of fund management business and investment advisory services from the Demerged Company 1 and the Demerged Company 2 into the Resulting Company. This would help the Group in expanding

into and providing alternative investment option to the private market investor class. The entire ownership of the fund management business will continue to remain with the Holding Company of the Resulting Company through the Resulting Company, being a wholly owned subsidiary.

- Further, such consolidation can also help the Group achieve following benefits:
 - Concentrated management focus on the business in a more professional manner;
 - Develop combined long-term corporate strategies and financial policies; and
 - Operational rationalization, organizational efficiency and optimal utilization of resources.

(vii) Alignment of Key Managerial Personnel ('KMPs') and employees of the Demerged Companies with overall strategy of the Group:

- Currently, the employees of the fund management business are holding shares of the Demerged Companies and the management of the Demerged Companies and the Transferee Company 1 had an understanding to issue shares of the Transferee Company 1 to such employees at a later date. Further, keeping in mind growth strategy for the business, it is desired that KMPs / employees should be directly holding shares in the Transferee Company 1 so that they are aligned with overall vision, performance goals and strategy of the Group.

(viii) Layered Structure:

- The Fund Management and investment advisory services are carried on by three layered companies.
 - From a governance perspective and keeping in mind amendments as per Section 2(87) and Section 186 of the Companies Act, 2013, reduced layer of entities shall enhance flexibility to the Transferee Company 1 to incorporate subsidiaries and/or acquire companies or any other body corporates with controlling stake as per their business strategies. Therefore, the Group intends to reduce the three-layers and simplify the corporate structure.
 - The other businesses of the Group are largely carried on by a single-layered wholly owned subsidiaries. Therefore, the Group desires that fund management should also be carried on by a single wholly owned subsidiary.
- (ix) Segregation of Remaining Business i.e., Investment Division of the Demerged Companies:
- While the Transferor Company 2 and the Demerged Companies consolidates its fund management business across different sectors under single vehicle, it is advisable that the investments lying in the Demerged Companies are consolidated at the Transferee Company 1's level.
 - The Transferee Company 1 is holding various public market and private market investments and has capabilities of mobilising further funds. Therefore, pursuant to the consolidation of core business of the Transferor Company 2 and the Demerged

Companies, the Remaining Business i.e., Investment Division of these entities can be amalgamated with the Transferee Company 1 and consolidation of investment business can be achieved.

5. The Counsel for the Petitioner Companies further submits that the First Petitioner Company is registered as Stock-Broker with BSE Limited. The Second Petitioner Company is an investment manager/ advisor to alternative investment funds, venture capital funds and Mauritius based funds. It is also engaged, inter alia, in the business of portfolio management services, providing financial, investment advisory services, management, referral & facilitation services and identifying investment opportunities. The Third Petitioner Company is a Managing Partner in India Realty Excellence Fund II LLP. The Fourth Petitioner Company is an investment manager/advisor to alternative investment funds. It is also engaged, inter alia, in the business of providing financial, investment advisory, management, referral & facilitation services and identifying investment opportunities etc. The main object of the Fifth Petitioner Company *inter alia* includes providing investment advisory services, management/ advisory/ referral services, advising and/ or managing real estate funds, alternative investment funds, venture capital funds, offshore funds etc. The Sixth Petitioner Company is a SEBI registered Trading Member registered with BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and National Commodity & Derivatives Exchange Limited. It is also a SEBI registered Depository Participant registered with Central Depository Services Ltd, (CDSL) and National Securities Depository

Limited (NSDL) and execute transactions in capital markets/equity derivatives/commodity derivatives/ currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is registered with the SEBI as Research Analyst, Portfolio Manager and with various other bodies / agencies like IRDA, AMFI, CERSAI, KRA agencies (CVL, Dotex, NDML, CAMS and Karvy) etc.

6. The Learned Counsel for the Petitioner Companies further submits that the present Company Petition is filed in consonance with Section 230-232 of the Companies Act, 2013 and in terms of order pronounced on 26.10.2021 in CA(CAA)/135/MB/2021 and read with corrigendum order pronounced on 30.11.2021 in COMP.APPL/381/MB/2021.
7. Learned Counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have made requisite filings to demonstrate compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if and to the extent applicable, as may be required under the Companies Act, 2013 and the rules made thereunder. The said undertaking is accepted.
8. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its Report dated 8th March, 2022 *inter-alia* making

the following observations in Paragraphs IV(a) to (n) and the Petitioner Companies have filed the rejoinder on 9th March, 2022. The same are reproduced as hereunder:

Para	Observation by the Regional Director	Undertaking of the Petitioner Companies/ Rejoinder
IV(a)	In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.	As far as the observation of the Regional Director, as stated in IV(a) of the Report and reproduced hereinabove is concerned, the Petitioner Companies undertake that it shall pass such accounting entries as may be necessary in connection with the Scheme to comply with all the applicable Indian Accounting Standards (Ind-AS) including Ind AS 103 and Ind AS 8.
IV(b)	As per Definition of the Scheme, “Appointed Date” means April 1, 2020; and	As far as the observation of the Regional Director, as stated in IV(b) of the Report and reproduced hereinabove is

	<p>“Effective Date” means the day on which last of the conditions specified in Clause 75.1 (Conditionality of the Scheme / Conditions Precedent) of this Scheme are complied with. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme being effective” shall mean the Effective Date;</p> <p>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the</p>	<p>concerned, the Petitioner Companies submits that the Appointed date i.e. 1st April 2020 has been clearly indicated in the Scheme in accordance with the provisions of Section 232(6) of the Companies Act, 2013 and the Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.</p> <p>Further, the Petitioner Companies undertakes that the aforesaid Appointed Date complies with the requirements as specified in the Ministry of Corporate Affairs (‘MCA’) Circular F.No.7112/2019/CL -1 (‘Circular’) dated August 21, 2019.</p>
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	<p>Hon'ble Tribunal taking into account its inherent powers.</p> <p>Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>	
IV(c)	<p>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.</p>	<p>As far as the observation of the Regional Director, as stated in IV(c) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that the fee payable, if any, by the Petitioner Companies shall be in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013 if applicable, and further, if any stamp duty is payable the same shall be paid in accordance</p>

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		with applicable laws of the State.
IV(d)	The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.	As far as the observation of the Regional Director, as stated in IV(d) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that the Scheme is approved by requisite majority of members as required under Section 230(6) of the Companies Act, 2013 and Meeting of the members of the Sixth Petitioner Company was convened as per Hon'ble Tribunal's order dated 26th October, 2021 read with Corrigendum Order dated 30th November, 2021 (collectively referred as 'Order') in terms of Section 230(1) read with subsections (3) to (5) of Section 230 of the Companies

		<p>Act, 2013 and the Chairman's Report thereof are duly placed before the Hon'ble Tribunal. The Hon'ble NCLT by their Order had dispensed with the requirement of holding of the meeting of the Equity Shareholders of the First to Fifth Petitioner Company in view of the consent provided by all the Equity Shareholders of such companies. The Hon'ble NCLT by their Order had dispensed with the requirement of holding the meeting of the creditors of the Petitioner Companies. The Sixth Petitioner Company had procured consent letters from all the Secured Creditors and filed the same with Hon'ble NCLT along with the Petition. Further, the Petitioner Companies had issued notices to all the Unsecured Creditors</p>
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		(other than such creditors for pay-off who will be paid as per the Stock Exchange calendar) and Compliance Report was filed with Hon'ble Tribunal on 8th December, 2021 regarding compliance with issuances of notices to all the creditors.
IV(e)	Accounting Treatment as mentioned in the Clause 12,22,33,43,64 of the scheme. In this regard it is submitted that as per Accounting Standard 14, surplus/deficit if any arising out of the scheme should be adjusted to the Capital Reserve arising out of amalgamation shall not be considered as free reserve and not available for distribution of dividend.	As far as the observation of the Regional Director, as stated in IV(e) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submits that the surplus, if any credited to "Capital Reserve" shall not be considered as free reserve and not be available for distribution of dividend.
IV(f)	The Petitioner Company states that the Transferee Company shall be in compliance with provisions of Section 2(1B) of	As far as the observation of the Regional Director, as stated in IV(f) of the Report and reproduced hereinabove is

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	<p>the Income Tax Act, 1961. In this regards, the petitioner company shall ensure compliance of all the provisions of Income Tax Act and Rules thereunder.</p>	<p>concerned, the Petitioner Companies hereby undertake to comply with the provisions of Income Tax Act, 1961 and rules thereunder.</p>
<p>IV(g)</p>	<p>It is submitted that the petitioner Company has stated that the scheme is in compliance of Section 2(19AA), in this regard, petitioner company may be directed to place on record that as to how this scheme is in compliance of Section 2(19AA) of the Income Tax Act, 1961.</p>	<p>As far as the observation of the Regional Director, as stated in IV(g) of the Report and reproduced hereinabove is concerned, the Petitioner Companies hereby submits that the conditions specified under Section 2(19AA) of the Income Tax Act, 1961, which are briefly provided as under, are complied with by the Petitioner Companies, to the extent applicable:</p> <p>(i) All the property of the undertaking, being transferred by the demerged company, immediately before the demerger, becomes the</p>

		<p>property of the resulting company by virtue of the demerger;</p> <p>(ii) All the liabilities related to the undertaking, being transferred by the demerged company, immediately before the demerger, become the liabilities of the resulting company by virtue of the demerger;</p> <p>(iii) The property and the liabilities of the undertaking being transferred by the demerged company are transferred at values appearing in its books of account immediately before the demerger;</p> <p>(iv) The resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged</p>
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		<p>company on a proportionate basis;</p> <p>(v) The shareholders holding not less than three-fourths in value of the shares in the demerged company become shareholders of the resulting company or companies by virtue of the demerger,</p> <p>(vi) The transfer of the undertaking is on a going concern basis; and</p> <p>(vii) The demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A by the Central Government in this behalf.</p>
IV(h)	The Petitioner Companies be directed to place on record of this Tribunal the list of assets to be demerged with complete	As far as the observation of the Regional Director, as stated in IV(h) of the Report and reproduced hereinabove is

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	details (Item wise) of its assets and valuation.	concerned, the Second and Fourth Petitioner Company submits list of assets and liabilities that will be demerged in Annexure 'B' which is enclosed herewith.
IV(i)	The Petitioner Company to place on record as to what is the business left in demerged company after transfer of Demerged undertaking.	As far as the observation of the Regional Director, as stated in IV(i) of the Report and reproduced hereinabove is concerned, the Second and Fourth Petitioner Company submits that post the transfer of the Fund Management Undertakings, investment divisions will be remaining with them and the same will be merged with the Sixth Petitioner Company.
IV(j)	It is observed that the "Transferee Company 1" or "the Holding Company of the Resulting Company" or "MOFSL" is listed on BSE and	As far as the observation of the Regional Director, as stated in IV(j) of the Report and reproduced hereinabove is concerned, the Sixth Petitioner

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	<p>NSE, therefore, the petitioner company may be directed to place on record whether the prior notice was served to NSC and BSE and objection received thereon if any and whether separate meeting of shareholders other than promoters was convened.</p>	<p>Company submits that the BSE Limited and National Stock Exchange of India Limited in consultation with SEBI has given their respective no objection letter dated 19th May, 2021 for the Scheme and the same was attached along with Company Scheme Petition as Exhibit 'I-1' and as Exhibit 'I-2' respectively. Further, the Meeting of the Equity Shareholders of the Sixth Petitioner Company for approving the Scheme was held on 16th December, 2021 as directed by the Hon'ble Tribunal vide its order dated 26th October, 2021 read with Corrigendum Order dated 30th November, 2021 (collectively referred as 'Order'). Further, the Scheme has also been approved by the requisite majority of the public</p>
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		shareholders in compliance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as stated in Scrutinizer Report dated 17th December, 2021. Scrutinizer Report was attached along with Chairman Report filed by the Sixth Petitioner Company on 17th December, 2021.
IV(k)	It is observed that the “Transferee Company 1” or “the Holding Company of the Resulting Company” or “MOFSL”, therefore, petitioner company may be directed to comply with the provisions of FEMA and RBI guidelines.	As far as the observation of the Regional Director, as stated in IV(k) of the Report and reproduced hereinabove is concerned, the Sixth Petitioner Company submits that it will comply with the applicable provisions of FEMA Regulations/ RBI Guidelines, if applicable with regards to issuance of shares to foreign/ non-resident shareholders, if any.

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IV(1)	It is observed that that the petitioner companies are working in real estate business, therefore, petitioner companies may be directed to submit approval of RERA.	As far as the observation of the Regional Director, as stated in IV(1) of the Report and reproduced hereinabove is concerned, the Petitioner Companies submit that they are an investment manager/advisor to real estate funds/ alternate investment funds. They is also engaged, inter alia, in the business of providing financial, investment advisory, management, referral & facilitation services and identifying investment opportunities etc. The Petitioner Companies are not engaged in any real estate development business and not governed by RERA law. Thus, approval of RERA is not applicable to the Petitioner Companies.
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IV(m)	<p>It is observed that in consideration, the transferee company shall issue shares directly to the shareholders of the transferor company-1 in proportion of their holding in transferor company-1. In this regard, it is stated that the applicant company may be directed to submit an undertaking that all individual shareholders of the Transferor Company-1 shall be liable for the Capital Gain Tax, as applicable. Further, the Income Tax department may be heard in the matter.</p>	<p>As far as the observation of the Regional Director, as stated in IV(m) of the Report and reproduced hereinabove is concerned, the Sixth Petitioner Company submits that on amalgamation of the Transferor Company 1 with the Transferee Company 1, the Transferee Company 1 shall issue its equity shares to the shareholders of the Transferor Company 1 in proportion of their holding in the Transferor Company 1. The Sixth Petitioner Company hereby submits that the said amalgamation is in compliance with section 2(1B) of the Income Tax Act, 1961, and therefore there will not be any capital gains tax in the hands of the shareholders of the Transferor Company 1 as per</p>
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		<p>section 47(vii) of the Income Tax Act, 1961. Further, the Transferor Company 1 submits that it is not intended to sell any shares held by it and therefore, the question of any capital gain tax liability does not arise in the hands of the Transferor Company 1. In any case, the cost of such shares as per provisions of the Income Tax Act, 1961 (grandfathered cost as on January 31, 2018) is higher than its current market price leading to no capital gains. As far as individual shareholders of the Transferor Company 1 are concerned, the Transferor Company 1 undertakes that individual shareholders will pay all applicable capital gains tax liability on sale of Transferee Company 1's shares received by them pursuant to the</p>
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		<p>Scheme as and when the same arises. Further, the Transferor Company 1 has already filed a copy of the Scheme with the Income Tax Department on November 26, 2021 to make representations, if any. As on date, the Income Tax Authority has not made any representations in connection with the Scheme. In case no representation is received within the period of thirty (30) days from the filing copy of the Scheme, it is presumed that they have no representation to make on the proposed Scheme.</p>
IV(n)	<p>The Hon'ble Tribunal may hereby kindly consider the report of ROC as narrated in Para III(33) above and pass appropriate order.</p>	<p>As far as the observation of the Regional Director, as stated in IV(n) of the Report read with ROC Report dated 16th December, 2021 is concerned, the Petitioner Companies submit that the interest of the</p>

		creditors will be protected as the rights of creditors will not be affected as there is no compromise or arrangement with creditors pursuant to the Scheme.
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9. The Petitioner Companies have filed the reply in Rejoinder to the Regional Director's Report on 9th March, 2022 and the Regional Director has filed Supplementary Report dated 10th March, 2022 and has stated that the reply of the Petitioner Companies appears to be satisfactory.
10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 8 above. The clarifications and undertakings given by the Petitioner Companies are accepted by this Tribunal.
11. The Official Liquidator has filed his report on 24.01.2022 in the Company Scheme Application No. 135 of 2021, inter alia, stating therein that the affairs of the Transferor Companies have been conducted in a proper manner not prejudicial to the interest of the Shareholders of the Transferor Companies and that the Transferor Companies may be ordered to be dissolved by this Tribunal.

12. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy.
13. The Counsel for the Petitioner Companies further submits that the consideration for the Scheme is as mentioned below:

In case of amalgamation of the Transferor Company 1 with the Transferee Company 1:

To the shareholders of the Transferor Company 1:

“8,49,21,363 equity shares of the face value of Re. 1/- each fully paid-up of the Transferee Company 1 shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company 1 in the proportion of their holding in the Transferor Company 1.”

As on the date of this Scheme being approved by the Board, the Transferor Company 1 holds 8,49,21,363 equity shares of the Transferee Company 1 and pursuant to the amalgamation, the Transferee Company 1 shall issue and allot the same number of New Equity Shares i.e. 8,49,21,363 to the equity shareholders of the Transferor Company 1 in the proportion of their holding. In the event the Transferor Company 1 holds more than 8,49,21,363 fully paid up equity shares of the Transferee Company 1 (without incurring any additional liability) on the Record Date, New Equity Shares to be issued and allotted by the Transferee Company 1 to the shareholders of the

Transferor Company 1 shall stand increased by such additional number of equity shares held by the Transferor Company 1.

In case of amalgamation of the Transferor Company 2 with the Transferee Company 2:

The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company 2 and therefore on amalgamation of the Transferor Company 2 into the Transferee Company 2 there shall be no issue of shares by the Transferee Company 2 in this regard as consideration.

In case of demerger from the Demerged Company 1 into the Resulting Company:

To the shareholders of the Demerged Company 1:

“120 equity shares of the face value of Re. 1 each fully paid-up of the Holding Company of the Resulting Company shall be issued and allotted for every 1 equity share of face value Rs. 10 each fully paid up held by equity shareholders of the Demerged Company 1.”

In case of amalgamation of the Transferor Company 3 with the Transferee Company 1:

To the shareholders of the Transferor Company 3:

“75 equity shares of the face value of Re. 1 each fully paid-up of the Transferee Company 1 shall be issued and allotted for every 1 equity share of face value Rs. 10 each fully paid up held by equity shareholders of the Transferor Company 3.”

In case of demerger from the Demerged Company 2 into the Resulting Company:

To the shareholders of the Demerged Company 2:

“372 equity shares of the face value of Re. 1 each fully paid-up of the Holding Company of the Resulting Company shall be issued and allotted for every 1 equity share of face value Rs. 10 each fully paid up held by equity shareholders of the Demerged Company 2.”

In case of amalgamation of the Transferor Company 4 with the Transferee Company 1:

To the shareholders of the Transferor Company 4:

“24 equity shares of the face value of Re. 1 each fully paid-up of the Transferee Company 1 shall be issued and allotted for every 1 equity share of face value Rs. 10 each fully paid up held by equity shareholders of the Transferor Company 4.”

14. Since all the requisite statutory compliances have been fulfilled, Company Petition CP(CAA)/4/MB/2022 connected with CA(CAA)/135/MB/2021 is made absolute in terms of prayer in the Petition.
15. The Scheme is sanctioned hereby, and the Appointed Date of the Scheme is fixed as 1st April, 2020.
16. The Transferor Companies be dissolved without winding up.

17. The Petitioner Companies are directed to lodge a certified copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with e-Form INC-28, within 30 days from the date of receipt of the Order from the Registry, duly certified by the Deputy/ Assistant Registrar of this Tribunal.
18. The Petitioner Companies are directed to lodge a certified copy of this Order and the Scheme duly authenticated by the Joint / Assistant Registrar of this Tribunal, with the concerned Superintendent of Stamps for adjudication of stamp duty payable, if any, within 60 working days from the date of receipt of certified copy of the Order from the Registry of this Tribunal.
19. All concerned regulatory authorities to act on a copy of this Order duly certified by the Deputy Registrar/Assistant Registrar of this Tribunal along with copy of the Scheme.
20. Ordered Accordingly.

Sd/-

Anuradha Sanjay Bhatia
Member (Technical)

Sd/-

Suchitra Kanuparthi
Member (Judicial)