



THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – COURT-I

C.P.(CAA)/62(MB)/2023
IN
C.A.(CAA)/291(MB)/2022

In the matter of
The Companies Act, 2013

And

In the matter of
Sections 230 to 232 and other applicable
provisions of

The Companies Act, 2013

And

In the matter of
Scheme of Arrangement between
HSBC Consultancy Services (India)
Limited

(formerly known as L&T Investment
Management Limited) and

HSBC Asset Management (India)
Private Limited

and their respective shareholders
(“Scheme”)

HSBC Consultancy Services (India) Limited

(Formerly Known As L&T
Investment Management Limited)
CIN: U65991MH1996PLC229572

... Petitioner Company 1 /
Transferor Company

**HSBC Asset Management (India) Private
Limited**

CIN: U74140MH2001PTC134220

... Petitioner Company 2 /
Transferee Company

(Hereinafter collectively referred to as “Petitioner Companies”)



Order delivered on 11.10.2023

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Justice Shri V.G. Bisht
Hon'ble Member (Judicial)

Appearances (through)

For the Petitioner(s)	:	Mr. Hemant Sethi a/w Ms. Devanshi Sethi i/b Hemant Sethi & Co.
For the Regional Director	:	Mr. Tushar Wagh, Deputy Registrar, Office of the Regional Director
For the SEBI	:	Ms. Gayatri Mohite, Advocate

ORDER

Per: V.G. Bisht, Member (Judicial)

1. Heard the Counsel for the Petitioner Companies and the representative of the Regional Director Western Region, Ministry of Corporate Affairs, Mumbai & SEBI. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
2. The sanction of the Tribunal is sought under Section 232 r/w Section 230 and other applicable provisions of the Companies Act, 2013 for sanctioning of Scheme of Arrangement between **HSBC Consultancy Services (India) Limited** (formerly known as L&T Investment Management Limited) ("Transferor Company") with **HSBC Asset Management (India) Private Limited** ("Transferee Company") and their respective shareholders ("Scheme").



3. The Petitioner Company 1 was primarily engaged in the business of acting as an asset management company for mutual fund schemes. It is further submitted that the Petitioner Company 2 acts as an asset management company for the HSBC Mutual Fund and is engaged in the business of operating and administering the HSBC mutual fund schemes including acting as a manager, operator, administrators of the HSBC mutual fund, as applicable under the terms of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996.
4. The Petitioner Company 1 has changed its name to “HSBC Consultancy Services (India) Limited” after the filing of the Company Petition bearing C.P.(CAA)/62(MB)/2023 and a fresh certificate of incorporation reflecting this change of name change has been issued by the Registrar of Companies, Mumbai to the Petitioner Company 1 on 6th June 2023.
5. The proposed Scheme of Arrangement was unanimously approved by the Board of Directors of the respective Petitioner Companies on 25th November 2022. The Board of Directors of the respective Petitioner Companies believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its shareholders, employees, and creditors.
6. The Appointed Date for the Scheme of Arrangement is start of business hours on 25th day of November 2022.
7. The Petitioner Companies states that the joint Company Petition have been filed in consonance with the order dated 3rd February 2023 passed by this Tribunal in the connected Company Scheme Application bearing C.A.(CAA)291(MB)/2022.



8. The Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary Affidavits dated 08.05.2023 of compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted by the Petitioner Companies.
9. That by sanction of this Scheme of Arrangement, the Petitioner Companies will be able to achieve the following rationale:
 - i. the Petitioner Company 1 is a wholly owned subsidiary of the Petitioner Company 2. The Petitioner Company 2 along with certain individual shareholders jointly hold the entire share capital of the Petitioner Company 1;
 - ii. with a view to maintain a simple corporate structure, enable direct control over the Undertaking (*as defined in the Scheme*) of the Petitioner Company 1 and eliminate duplicative corporate procedures, the management of the Petitioner Company 1 and the Petitioner Company 2 are desirous of amalgamating the companies, with effect from the Appointed Date, to reduce costs, and enable a focused management;
 - iii. the amalgamation of the Petitioner Company 1 with the Petitioner Company 2 would have the following benefits:
 - (a) pooling of resources of the entities to their common advantage, resulting in a more productive utilization of the resources, costs and operational efficiencies, which would be beneficial for all stakeholders; and



- (b) reduction in compliances and statutory filings with various government departments.

10. The Regional Director has filed his report dated 19.05.2023 making certain observations. The Petitioner Companies have submitted/undertaken that:

- a. Any complaints pending against the Second Petitioner Company shall be dealt with in due course and the provisions of the Scheme of Arrangement will not affect or prejudice the same in any manner;
- b. In terms of the provisions of Section 232(3)(i), the Transferee Company shall pay the remaining fee, if any, after setting off the fees already paid by the First Petitioner Company on its authorized capital being transferred to the Second Petitioner Company pursuant to the Scheme of Arrangement;
- c. The interest of the creditors is protected as the Scheme of Arrangement does not affect the rights or propose any reduction in the amounts payable to the creditors of the Petitioner Companies;
- d. The Petitioner Companies submit that the Transferee shall pass such accounting entries in connection with the Scheme of Arrangement as are necessary to comply with the applicable Accounting Standards;
- e. The Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made;
- f. The approval of the Scheme by this Hon'ble Tribunal may not deter the Regulatory/Statutory authorities to deal with any issues arising, after giving effect to the Scheme and the Petitioner Companies submit that any such issues will be met and answered in accordance with applicable law;



- g. The Scheme of Arrangement complies 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;
 - h. A notice in relation to the Scheme of Arrangement has been sent to the Securities and Exchange Board of India (“SEBI”) and the Petitioner Companies shall comply with the relevant regulations and lawful directions (if any) issued by SEBI to implement the proposed Scheme of Arrangement;
 - i. The Petitioner Companies shall comply with the relevant FEMA regulations and lawful directions (if any) issued by Reserve Bank of India to implement the proposed Scheme of Arrangement;
 - j. The Transferee Company will comply with Income Tax Provisions in relation to proceedings/claims under Income Tax Act against the Transferor Company; and
 - k. The Petitioner Companies do not attract the provisions of Section 90 as the ultimate holding company of both Petitioner Companies is HSBC Holdings plc, a listed company headquartered in the United Kingdom (listed on London Stock Exchange) and there is no individual holding more than 10% of the shareholdings or voting rights of the Petitioner Companies either directly or indirectly;
11. Mr. Tushar Wagh, Deputy Director from the Office of Regional Director of Western Region, Mumbai appeared on the date of hearing and submits that above explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.
12. The Official Liquidator has filed his report on 25th May, 2023 in C.P. (CAA) 62/MB/2023, inter alia, stating therein that the affairs of the



Transferor Company have been conducted in a proper manner not prejudicial to the interest of the Shareholders of the Transferor Companies and that the Transferor Company may be ordered to be dissolved by this Tribunal.

13. Upon the coming into effect of the Scheme:

- i. All shares of Petitioner Company 1 held by the Petitioner Company 2 shall be deemed to have been cancelled without any further act or deed, and no shares of the Petitioner Company 2 shall be required to be issued in lieu thereof. The share certificates (if any) held by the Petitioner Company 2 representing the equity shares in the Petitioner Company 1 shall be deemed to be cancelled and not tradable from and after such cancellation; and
- ii. The Petitioner Company 1 shall stand dissolved without winding-up, and the Board of the Petitioner Company 1 shall also, without any further act, instrument or deed, be and stand dissolved

14. From the material on record, the Scheme appears to be fair, reasonable and is not in violation to any provisions of law nor is contrary to public interest/policy. The undertakings given by the Petitioner Companies are hereby accepted. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) 62/MB/2022 is made absolute in terms of clauses prayer clause of the said Company Scheme Petition.

15. The Scheme of Arrangement is hereby sanctioned, and the Appointed Date of the Scheme is start of business hours of 25th November 2022.

16. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme and it shall be open to the income tax authorities to take necessary action as permissible under the Income Tax Law.



17. The Transferor Company will be dissolved without winding up.
18. The Petitioner Companies are directed to file a 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 certified copy of this Order by the Petitioner Companies.
19. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated / certified by the Deputy Registrar/ Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.
20. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Registrar/ Assistant Registrar of this Tribunal.
21. Ordered Accordingly. C.P.(CAA)/62(MB)/2023 is Allowed and Disposed of.

Sd/-

Prabhat Kumar
Member (Technical)

Sd/-

Justice V.G. Bisht
Member (Judicial)