

**NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**  
**COURT III**

4. C.A.(CAA)/110/MB/2022

CORAM: SHRI H.V. SUBBA RAO, MEMBER (J)  
SHRI CHANDRA BHAN SINGH, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL  
COMPANY LAW TRIBUNAL ON **28.04.2022**

NAME OF THE PARTIES: DAMAN ENTERTAINMENT PRIVATE LIMITED.  
SECTION 230-232, 234 OF COMPANIES ACT, 2013

---

**ORDER**

Mr. Baabil Vahanvaty, counsel appearing for the Petitioner is present  
through virtual hearing.

Heard the counsel appearing for the Petitioner. The above Company Petition  
is allowed. Detail order would follow:

Sd/-  
CHANDRA BHAN SINGH  
Member (Technical)

Sd/-  
H.V. SUBBA RAO  
Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
COURT ROOM-III, MUMBAI BENCH**

**CA (CAA) NO. 110 OF 2022**

**IN THE MATTER OF SECTIONS  
230 TO 232 AND OTHER  
APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013**

**AND**

**IN THE MATTER OF THE  
SCHEME OF AMALGAMATION  
OF DAMAN ENTERTAINMENT  
PRIVATE LIMITED AND  
DAMAN HOSPITALITY  
PRIVATE LIMITED WITH  
DELTA CORP LIMITED AND  
THEIR RESPECTIVE  
SHAREHOLDERS**

**Daman Entertainment Private )  
Limited,** a company incorporated )  
under the provisions of the Companies )  
Act, 1956, having corporate identity )  
number U74120MH2011PTC216284 )  
and its registered office at 2<sup>nd</sup> Floor, )  
Bayside Mall, Opp. Sobo Central Mall, )  
Tardeo Road, Haji Ali, Mumbai - 400 )  
034, Maharashtra. )

) **...First Applicant Company /  
Transferor Company 1**

**Delta Corp Limited**, a company )  
 incorporated under provisions of the )  
 Companies Act, 1956, having )  
 Company Identity Number: )  
 L65493PN1990PLC058817 and its )  
 registered office at 10, Kumar Place, )  
 2408, General Thimayya Road, Pune – )  
 411001, Maharashtra ) **...Second Applicant Company/  
 Transferee Company**

Order delivered on this 28<sup>th</sup> day of April 2022

Coram: Shri H V Subba Rao, Hon'ble Member (Judicial)  
 Shri Chandra Bhan Singh, Hon'ble Member (Technical)

*Appearances (via video conferencing):*

For the Applicant Companies : Mr Shyam Kapadia a/w Mr Peshwan  
 Jehangir, Mr Mehul Shah, Mr Haabil Vahanvaty, Mr Aman Yagnik, Ms Roselin  
 Sara Alex, Ms Diya Bharmha and Ms Dhruvi Dharia i/b Khaitan & Co, Advocates  
 for the Applicant Companies

### **ORDER**

1. The Bench is convened by video conference on 28<sup>th</sup> April 2022.
2. Daman Entertainment Private Limited (hereinafter referred to as the “**First Applicant Company**” or “**Transferor Company 1**”), Daman Hospitality Private Limited (hereinafter referred to as “**DHPL**” or “**Transferor Company 2**”) and Delta Corp Limited (hereinafter referred to as the “**Second Applicant Company**” or “**Transferee Company**”) are entering into a scheme of amalgamation (“**Scheme**”). For the sake of convenience, the First Applicant Company and the Second Applicant may be collectively

referred to as “**Applicant Companies**” wherever required. The Scheme has been approved by the boards of the respective companies vide resolution dated 11 April 2022.

3. The First Applicant company is engaged in the business of Gaming and Entertainment Segment. The Second Applicant Company is engaged in the Business Gaming and Casinos in Goa and Sikkim and in Hospitality Segment.
4. The said Scheme provides for amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company with effect from the Appointed Date and various other matters consequential thereto or otherwise integrally connected therewith in the manner set out in the Scheme. The Appointed Date as mentioned in the Scheme is 1 April 2022.
5. The Transferor Company 1 and the Transferor Company 2 are wholly owned subsidiaries of the Transferee Company. The registered office of Transferor Company 1 is situated in Mumbai, Maharashtra and the registered office of the Transferee Company is situated in Pune, Maharashtra. The subject matter of this application is within the jurisdiction of the Mumbai Bench. The registered office of the Transferor Company 2 is situated at Survey No. 8/1 and 8/1-A, Village Varkund, Vapi Daman Road, Nani Daman, Daman & Diu – 396210. The Learned Counsel for the Applicant Companies submits that the Transferor Company 2 has separately filed the necessary applications before the National Company Law Tribunal, Ahmedabad Bench.
6. Learned Counsel for the Applicant Companies submits that the circumstances and/or reasons and/or grounds that have necessitated and/or justified the Scheme and some of the major benefits which would accrue from the Scheme are extracted from the Scheme and stated below:

**“(C) RATIONALE**

*“1. The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Companies pursuant to amalgamation. By consolidating the assets and liabilities of the Transferor Companies, the Transferee Company can expand its current service territory and strengthen its existing market share.*

*2. Pursuant to the amalgamation, easier financial support will be available for the businesses of the Transferor Companies.*

*3. The Scheme will result in the following benefits:*

*(a) Combination of resources, creating better synergies, optimal utilisation of resources and greater economies of scale and deriving operating efficiencies from adoption of existing technology-enabled processes of the Transferor Companies;*

*(b) More efficient utilization of capital for enhanced development and growth of the consolidated business under a single entity;*

*(c) Enable opportunities for employees of the parties to grow, by bringing them into a common pool; and*

*(d) Elimination of multiple entities, legal and regulatory compliances and, reduction of administrative costs.*

*4. The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.”*

7. The Learned Counsel for the Applicant Companies submits that the consideration for the Scheme is as follows:

*“8.1 The Transferor Companies are wholly owned subsidiaries of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Companies with the Transferee Company.*

*8.2 Upon the Scheme becoming effective, all equity shares of the Transferor Companies held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act, or deed.”*

8. The Learned Counsel for the Applicant Company submits that the First Applicant Company has received the consent affidavits from all its Equity Shareholders, whereby they have given their consent and approval to the Scheme. The Consent Affidavits of the Equity Shareholders of the First Applicant Company are annexed to the Company Scheme Application at Exhibit. Accordingly, the requirement to hold meetings of the Equity Shareholders of the First Applicant Company is dispensed with.
  
9. The Learned Counsel for the Applicant Companies submits that the First Applicant Company and the Transferor Company 2 are wholly owned subsidiaries of the Second Applicant Company, no shares are to be issued under the Scheme and thus the rights of the Equity Shareholders of the Second Applicant Company are not adversely affected by the proposed Scheme. The present case is similar to the cases of *Mahaamba Investments Limited V/s. IDI Limited*, (2001) 105 Company Cases page 16 to 18, *Bon Limited* dated March 12, 2010 in *Company Scheme Petition No. 123 of 2010*, *In re Sharat Hardware Industries P. Ltd.*, reported at (1978) 48 Com Cas 23; *In re Santhanalakshmi Investments (P) Ltd.*, reported at (2005) 129 Company Cases page 789 to 792, *In re Nebula Motors Ltd.*, reported at 45 SCL 143 and *Windermere Properties Private Ltd*, *Haddock Properties Private Ltd*, *Grandeur Properties Private Limited*, *Winchester Properties Private Limited* and *Pentagram Properties Private Limited with Housing Development Finance Corporation Limited*, *Company Scheme Application No. 243 of 2017* (order dated 4 September, 2017) and therefore, the Second Applicant Company is not required to convene a meeting or send any notices to its Equity Shareholders for approval of the Scheme. The Applicant Companies have submitted that they will file a company petition with the Tribunal seeking approval of the Scheme and will also issue notices to all regulatory authorities.

10. The Learned Counsel submitted that the Applicant Companies do not have preference shareholders and therefore the question of convening and holding of a meeting of the preference shareholders of the Applicant Companies to consider and approve the Scheme does not arise. Accordingly, the requirement of convening meeting of the preference shareholders of the Applicant Companies is dispensed with.
11. The Learned Counsel submitted that the First Applicant Company and Second Applicant Company do not have any secured creditors. Accordingly, the requirement of convening meeting of the secured creditors of Applicant Companies is dispensed with.
12. The Learned Counsel for the Applicant Companies submits the First Applicant Company does not have any unsecured creditors. Accordingly, the requirement of convening meeting of the unsecured creditors of the First Applicant Company is dispensed with.
13. The Learned Counsel for the Applicant Companies submits that as on 31 March 2022, there are 581 unsecured creditors of the Second Applicant Company having a value of INR 12,07,66,819.22/-. Details of the unsecured creditors of the Second Applicant Company as on 31 March 2022 of the Company Scheme Application. The First Applicant Company, the Transferor Company 2 and the Second Applicant Company each have a positive net worth and the Scheme will not affect or adversely impact the rights of the Unsecured Creditors of the Second Applicant Company. As far as the rights of the Unsecured Creditors of the Second Applicant Company are concerned, they will not be affected by the proposed Scheme, since post Scheme, the assets of Second Applicant Company will be sufficient to discharge its liabilities. Further, the present case is similar to the facts in *CSA No. 243 of 2017 in the matter of Housing Development Finance Corporation Limited*, and therefore the Second Applicant

Company is not required to hold / convene meeting of its Unsecured Creditors for approval of the Scheme. In view of this, the meeting of the Unsecured Creditors of the Second Applicant Company is not required to be convened. However, the Second Applicant Company shall send notice to all of its Unsecured Creditors inviting representations, if any, thereto by Speed Post / Courier / Email / Hand-Delivery. Representations, if any, shall be filed before this Tribunal with a copy to the Second Applicant Company, within 30 (thirty) days from the date of receipt of such notice, failing which, it shall be presumed that they have no objection to the proposed Scheme.

14. The Applicant Companies is directed to serve notices along with the copy of scheme upon
  - (i) The Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs;
  - (ii) The Registrar of Companies at Mumbai (for the First Applicant Company) and the Registrar of Companies at Pune (for the Second Applicant Company);
  - (iii) The Income Tax Authority at Ward 6(2)(1), Aayakar Bhawan, Mumbai (for the First Applicant Company having PAN AAECD0463H) and at Central Circle 1(3) , Pratishta Bhavan, Mumbai (for the Second Applicant Company having PAN AAACC7260M) within whose jurisdiction the respective Applicant Company's assessments are made; and
  - (iv) The GST Authority at Commissionerate - Mumbai-Central, Division - Division X, Range - Range-I, Superintend 8th Floor, Piramal Chambers, Jijibhoy Lane, Lalbaug, Mumbai – 400012 (for the Second Applicant Company).

The First Applicant Company is not registered with the GST Authorities and hence there is no question of sending notices with regard to the First Applicant Company.



15. Additionally, the First Applicant Company is directed to serve notice along with a copy of the Scheme upon the Official Liquidator, High Court, Bombay, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. M/s Niraj D. Adatia & Associates; having address at: 306, Zee Nayak Building, M.G. Road, Vile Parle (E), Mumbai - 400 057; having contact number: (+91) 9766008722 and having email address: niraj.adatia@ndaa.in and adatia.niraj@gmail.com is appointed to assist the Official Liquidator to scrutinize the books of the First Applicant Company for the last 5 years. The fee of the Chartered Accountant is fixed at Rs. 2,00,000/- inclusive of all taxes which shall be paid by the First Applicant Company. The Official Liquidator shall submit his Report to the Tribunal within 30 (Thirty) days of the date of receipt of such notice, failing which it shall be presumed that the Official Liquidator has no objection to the proposed Scheme. A copy of the Report shall simultaneously be served upon the First Applicant Company.
16. The Learned Counsel for the Applicant Companies submits that the shares of the Second Applicant Company are listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”). As the proposed Scheme envisages amalgamation of wholly owned subsidiaries (i.e. First Applicant Company and the Transferor Company 2) with their parent company (i.e. Second Applicant Company), in view of Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), seeking prior approval from SEBI and Stock Exchanges is not required. Further, in compliance of Regulation 37(6) of the SEBI LODR, the Second Applicant Company on 12 April 2022 has filed the copy of the aforesaid Scheme and board resolutions of the Applicant Companies and the Transferor Company 2 approving the Scheme, with the Stock Exchanges. However, as a matter of abundant caution, the Second Applicant Company is directed to serve notices upon (i)

BSE; and (ii) NSE, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the concerned stock exchanges within 30 (thirty) days of the date of receipt of the notice, it will be presumed that they have no objection to the proposed Scheme.

17. The Applicant Companies to serve notices upon any other sectoral authorities, if applicable, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the concerned sectoral authorities or authorities within 30 (Thirty) days of the date of receipt of the notice, it will be presumed that the concerned sectoral regulators or authorities have no objection to the proposed Scheme.
18. The Applicant Companies are directed to host notices along with the copy of the Scheme on their respective websites if any.
19. The Applicant Companies are directed to file an Affidavit of Service cum Compliance Report within 10 (ten) days after serving notice to all the Regulatory Authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices as stated in the order have been duly complied with.

Sd/-

Chandra Bhan Singh  
Hon'ble Member (T)

Sd/-

H V Subba Rao  
Hon'ble Member (J)