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Azadi Ka
Amrit Mahotsav

**National Company Law Tribunal,
Chandigarh Bench
Corporate Bhawan, Plot No.4B, Sector 27-B,
Madhya Marg, Chandigarh.**

No.:NCLT/Chd/Reg/ 915

Date: 07/02/2022

CP (CAA) No. 10/Chd/Hry/2020

In the matter of Scheme of Arrangement of:
Career Launcher Education Infrastructure and
Service Limited ('CLEIS')

...Amalgamating Company No.1/Petitioner Company No. 1

To,

Career Launcher Education Infrastructure and
Services Limited ('CLEIS')
Regd. Office at: Plot No. 9A, Sector-27A,
Mathura Road, Faridabad, Haryana- 121003

Please find enclosed herewith a certified copy of order dated 07.02.2022 for
your information and necessary action


(Kartikeya Verma)
Registrar

Encl: Copy of order.

NCLT, Chandigarh Bench

**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(through web-based video conferencing platform)**

**CP (CAA) No.10/Chd/Hry/2020
(2nd Motion)**

**Under Sections 230 to 232 and
other applicable provisions of
the Companies Act, 2013**

IN THE MATTER OF SCHEME OF ARRANGEMENT OF:

**Career Launcher Education Infrastructure and
Services Limited ('CLEIS')**

having its registered office at
Plot No. 9A, Sector-27A,
Mathura Road, Faridabad,
Haryana- 121003
PAN-AACCC7031Q
CIN-U70101HR2005PLC076899

...Amalgamating Company No.1/ Petitioner Company No.1

CL Media Private Limited ('CL Media')

having its registered office at
Plot No. 9A, Sector-27A,
Mathura Road, Faridabad,
Haryana- 121003
PAN-AADCC3011D
CIN-U74300HR2008PTC077265

...Amalgamating Company No.2/ Petitioner Company No.2

**Accendere Knowledge Management Services
Private Limited ('AKMS')**

having its registered office at
Plot No. 9A, Sector-27A,
Mathura Road, Faridabad,
Haryana- 121003
PAN-AAHCA3316K
CIN-U74900HR2008PTC077200

...Amalgamating Company No.3/ Petitioner Company No.3

G.K. Publications Private Limited ('GKP')

having its registered office at
Plot No.9A, Sector-27A,
Mathura Road, Faridabad,
Haryana- 121003
PAN-AABCG7711Q
CIN-U22110HR2001PTC076979

...Amalgamating Company No.4/ Petitioner Company No.4



Kestone Integrated Marketing Services

Private Limited ('Kestone)

having its registered office at

Plot No. 9A, Sector-27A,

Mathura Road, Faridabad,

Haryana- 121003

PAN-AABCK2819F

CIN-U73100HR1997PTC076900

...Amalgamating Company No.5/ Petitioner Company No.5

WITH

CL Educate Limited ('CL Educate')

having its registered office at

Plot No. 9A, Sector-27A,

Mathura Road, Faridabad,

Haryana- 121003

PAN-AAACC3885C

CIN-L74899HR1996PLC076897

...Amalgamated Company/Petitioner Company No.6

Judgment delivered on: 07.02.2022

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

Present through Video Conferencing :-

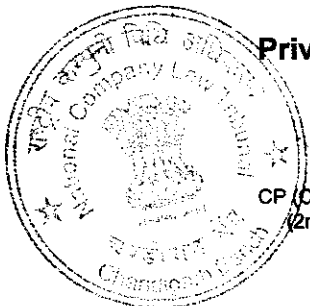
For the Petitioner Companies: 1. Mr. Rohit Khanna, Advocate
2. Mr. Raghav Kapoor, Advocate

For Income Tax Department: Mr. Yogesh Putney, Senior Standing Counsel

Per: Subrata Kumar Dash, Member (Technical)

JUDGMENT

This is a Joint Second Motion Application filed by Petitioner Companies namely; **Career Launcher Education Infrastructure and Services Limited** (Amalgamating Company No.1/Petitioner Company No.1), **CL Media Private Limited** (Amalgamating Company No.2/Petitioner Company No.2),

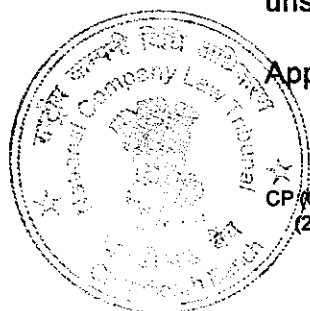


Accendere Knowledge Management Services Private Limited (Amalgamating Company No.3/Petitioner Company No.4), **G.K. Publications Private Limited** (Amalgamating Company No.4/Petitioner Company No.4), **Kestone Integrated Marketing Services Private Limited** (Amalgamating Company No.5/Petitioner Company No.5) with **CL Educate Limited** (Amalgamated Company/Petitioner Company No.6) under Section 230-232 of Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules).

2. The Petitioner Companies have prayed for sanctioning of the Scheme of Arrangement between the respective companies. The said Scheme is attached as Annexure A-1 to the application.

3. The Petitioner Companies filed First Motion Application bearing CA (CAA) No.39/Chd/Hry/2019 before this Tribunal for seeking directions for dispensing with the meetings of equity shareholders of the Applicant Company No.1 to 5, secured creditors of all the Applicant Companies and unsecured creditors of the Applicant Company No.1 to 4 and 6 and to convene the meetings of Equity Shareholders of Applicant Company No.6 and Unsecured Creditor of Applicant Company No.5.

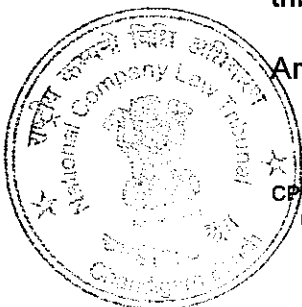
4. The First motion application was disposed of vide order dated 11.12.2019, with directions to dispense with the meetings of equity shareholders of the Applicant Company No.1 to 5, secured creditors of all the Applicant Companies and unsecured creditors of the Applicant Company No.1 to 4 and 6 as the written consents/affidavits of the equity shareholders, secured and unsecured creditors of the Applicant Companies were filed and placed on record and the meetings of unsecured creditor of Applicant Company No.5 and Equity Shareholders of Applicant Company No.6 were directed to be convened on 01.02.2020. In the



meetings held on 01.02.2020, the Scheme was unanimously approved by all the equity shareholders and unsecured creditors present and voting in their respective meetings.

5. The main objects, date of incorporation, authorized and paid-up share capital, and the rationale of the Scheme had been discussed in detail in the order dated 11.12.2019.

6. In the second motion application proceedings, certain directions were issued by this Tribunal vide order dated 25.11.2020 and the same were complied by an affidavit of compliance filed vide Diary No.00464/2, 00464/3, 00464/4, 00464/5, 00464/6 and 00464/7 all dated 14.01.2021. The Petitioner Companies have made newspaper publications in "Financial Express" (English) and "Dainik Bhaskar" (Hindi) both Delhi NCR Edition on 16.12.2020. The original copies of the newspapers were attached as Annexure-2 of the aforesaid affidavits. It was also stated in the affidavits for Petitioner Companies No.1 to 6 respectively, that copies of notices were served upon the (a) Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, (b) Registrar of Companies, NCT of Delhi and Haryana, (c) the Official Liquidator, Punjab, Haryana and Chandigarh, (d) Income Tax Department of all the Petitioner Companies. Copies of the acknowledgement of receipt (in original) evidences service and delivery of notice by the Petitioner Companies are attached as Annexure-3 to Annexure-4 of the aforesaid affidavits. The petitioner Company No.6 has also served notices to Securities Exchange Board of India (SEBI), National Stock Exchange of India (NSE), Bombay Stock Exchange of India (BSE) through speed post. Copy of postal receipts as well as tracking reports are part of Annexure A-3 and A-4 of Diary No.00464/7 dated 14.01.2021.



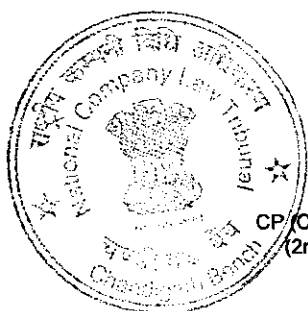
7. It is also deposed by the authorised signatory of the petitioner companies by way of affidavit that the Petitioner Companies have not received any representations from any objectors, expressing their desire to be heard by this Hon'ble Tribunal in relation to the Scheme, as on date of this affidavit and no objections to the Scheme have been received by the Petitioner Companies from any of the relevant statutory authorities/sectoral regulators or by any other person. The aforesaid affidavit is filed vide Diary No.00464/19 dated 27.12.2021.

8. In response to the abovementioned notices, the statutory authorities have furnished their replies.

8.1 Registrar of Companies/Regional Director

The Registrar of Companies (RoC) has filed its report along with the report of the Regional Director (RD) by diary No.00464/1 dated 24.08.2020. The R.D. in its report has observed that as per the report of Registrar of Companies the Amalgamating and Amalgamated/Applicant Companies have filed Annual Returns and Balance Sheets upto 2018-2019. No prosecution has been filed and no inspection or investigation has been conducted in respect of the petitioner companies. That as per Para 24 of the report of Registrar of Companies it has been inter alia stated that

"The shares of Transferee Company is listed in the stock exchanges of BSE and NSE. The company has obtained observation letters, both dated 04.06.2019, from the said stock exchanges granting their no objection with certain terms and conditions to file the Scheme with the Tribunal".



In response to the Report of RoC/RD, the Petitioner Companies have filed affidavit vide Diary No.00464/8 dated 27.12.2021 and it is stated that the key observations raised in the RD Report are as under:-

- (a) Honouring of cheques and other negotiable instruments of the Amalgamating Companies by the Amalgamated Company.
- (b) Alteration of main object of the Memorandum of Association of the Amalgamated Company.

It is submitted by the Petitioner Companies that, all the bank accounts of the Amalgamating Companies shall be vested into Amalgamated Company and the bank accounts would continue in the name of the Amalgamated Company which is an entity whose legal existence would continue post the sanction of the Scheme. Therefore, the Amalgamated Company has legal existence and authority to honour the cheques and negotiable instruments issued by the Amalgamating Companies. Thus, they shall be accepted by the bankers of the Amalgamated Company. Accordingly, it is humbly submitted and prayed that the clause is not required to be deleted from the Scheme.

The reference to the due process of Section 13, Section 14 and Section 61 has been expressly provided in the Para 17.5. It has been duly provided in the Scheme that the Amalgamated Company shall file the amended Memorandum of Association and Articles of Association along with all the requisite forms with the Registrar of Companies. Further, it is clearly provided that all the



compliance and procedural requirements under Companies Act, 2013 to give effect to such amendment of the Object Clause as required by Registrar of Companies would be undertaken by the Amalgamated Company in response.

Thus, the observations of RD/RoC in respect of the petitioner Companies stands satisfied.

8.2 Official Liquidator

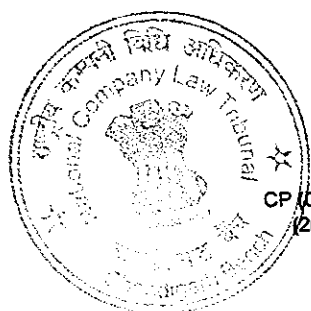
The Official Liquidator has filed his report vide Diary No.00464/8 Dated 12.02.2021. The relevant part of the report is extracted below:

- i. The Companies does not have any pending litigations which would impact its financial position.
- ii. The companies did not have any long-terms contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and
- iii. There were no amounts required to be transferred to the Investor Educations and Protection Fund by the company.

It is further observed by Official Liquidator that:

"That as per clause 15 Part-III of the scheme Dissolution of Subsidiaries: upon this scheme becoming effective, subsidiaries shall stand dissolved, without following the procedure of winding up prescribed under the applicable laws. On and from the Effective date, the name of each of the subsidiaries shall be struck of from the record of the Registrar of Companies."

Thus, the Official Liquidator has made no adverse observation against the petitioner companies.



8.3 Income Tax Department

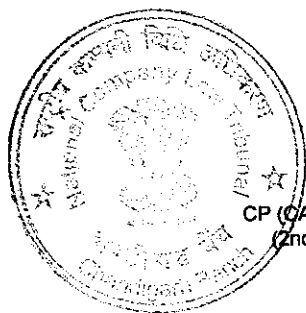
The Income Tax Department filed its report vide Diary No.00464/15 dated 28.10.2021 and has stated that there are demands outstanding against the petitioner companies which are as follows:-

| Name of the Company | Demand Outstanding (in Rs.) |
|-------------------------|---|
| Petitioner Company No.1 | Nil |
| Petitioner Company No.2 | Rs. 35,17,470/- |
| Petitioner Company No.3 | Rs. 2,91,540/- (A.Y. 2018-19) and Rs. 4,720/- (A.Y. 2019-20) |
| Petitioner Company No.4 | Nil |
| Petitioner Company No.5 | Nil |
| Petitioner Company No.6 | Rs. 16,09,78,116/- |

In response to the Income Tax Department report, the petitioner companies has filed an affidavit vide Diary No 00464/17 Dated 27.12.2021 wherein it has been stated that the demands of the Income Tax Department are subject to the Clause 11 of Part-II of the 'Scheme' which is reiterated below:

"Upon, this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by Subsidiaries (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to Subsidiaries from the Appointed Date onwards, including but not limited to tax deducted at source, any refund and claims shall, for all purposes, be treated as tax deducted at source or refunds and claims, as the case may be, of Amalgamated Company."

It is further submitted that Clause 8 of the Scheme provides of continuance of all legal proceedings against the amalgamating



companies to be continued against amalgamated company pursuant to the sanction of Scheme. It is further submitted that the carry forward of loss would be subject to fulfilment of requirement of Section 72 A of Income Tax Act, 1961.

8.4 As It is apparent from the above discussions, the liabilities towards Income Tax Department exist in the Petitioner companies. In this context, it is clarified that this Tribunal is not shutting out the legitimate interest of the income-tax authorities to recover the lawful dues payable by the transferor companies and the transferee company is not being dissolved, and the scheme provides the savings in relation to the liabilities as well, the rights of the tax authorities remain intact, and they can proceed against the transferee company in accordance with the law, if any amount is found due and payable. The Hon'ble National Company Law Appellate Tribunal also in the ***Ad2Pro Global Creative Solutions P. Ltd. v. Regional Director, (S.E.R.), Ministry of Corporate Affairs MANU/NL/0469/2019: [2019] 217 Comp Cas 443 (NCLAT), in Company Appeal (AT) No. 98 of 2019 decided on 25.09.2019***, in relation to the dues of the income-tax has held in paragraph 7 as follows (page 449):

"Admittedly, proceedings are pending in appeal before the Income-tax Appellate Tribunal and depending upon the outcome of such proceedings. The transferee company has undertaken to satisfy all demands emanating from and raised by the competent tax authorities. The scheme having been approved and sanctioned and the same being in consonance with law, no fault can be found with the transferee's undertaking to satisfy all demands raised by the tax authorities as finally determined by due process. The appellants are justified in maintaining that the tax liabilities would be satisfied by the transferee as determined by the competent forum seized of the



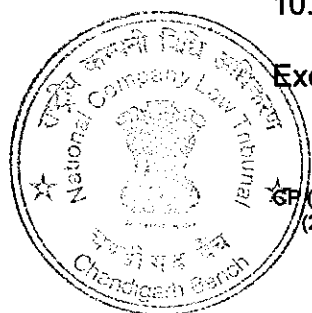
matter in accordance with the approved scheme, which admittedly does not come in conflict with any express provision of the Companies Act, 2013. The legitimate interests of the concerned tax authorities have been lawfully protected, and their right to recover the tax dues as determined by the Income-tax Appellate Tribunal or any other competent forum as the case may remain intact."

- 8.5 Further in Company petition C.A.A. No. 284/ND/2018 vide order dated November 12, 2018, the National Company Law Tribunal, New Delhi has made the following observations with regard to the right of the Income-tax Department in the scheme of amalgamation:

"... taking into consideration the clauses contained in the scheme in relation to liability to tax and also as insisted upon by the income-tax and in terms of the decision in Vodafone Essar Gujarat Ltd. v. DIT MANU/GJ/0794/2012 : [2013] 176 Comp Cas 7 (Guj); [2013] 353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in Department of Income-tax v. Vodafone Essar Gujarat Ltd. [2015] 190 Comp Cas 105 (S.C.); [2015] 373 ITR 525 (S.C.); [2016] 66 taxmann.com. 374 (S.C.) from which it is seen that at the time of declining the S.L.P.s filed by the Revenue, however stating to the following effect vide its order dated April 15, 2015, that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues the said protection be afforded is granted. With the above observations, the petition stands allowed, and the scheme of amalgamation is sanctioned."

9. The certificate of the Statutory Auditors with respect to the Scheme between Applicant-Companies to the effect that the accounting treatment proposed in the Scheme is in compliance with applicable Indian Accounting Standards (Ind AS) as specified in Section 133 of the Act, read with rules thereunder and other Generally Accepted Accounting Principles was filed as Annexure A-50 of the petition.

10. The Petitioner Company No. 6 has also issued notices to Bombay Stock Exchange of India Limited (B.S.E.), National Stock Exchange of India Limited



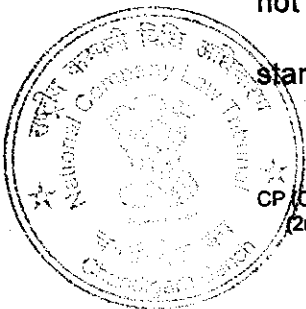
(N.S.E), and Securities and Exchange Board of India (S.E.B.I) and copies of notices issued via Speed Post and tracking report are attached as Annexure- 3 and 4 of Diary No. 00464/7 Dated 14.01.2021. However, the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited has issued observation letter dated 04.06.2019 wherein no objection in terms of Regulation 94 of S.E.B.I (LODR) Regulation 2015. Moreover, there is no reply from the concerned authorities till now. Considering the lapse of time in the matter, it is presumed that there is no objection to the proposed Scheme of Arrangement..

11. We have heard the learned Counsel for petitioner companies and learned Senior Standing Counsel for the Income Tax Department and perused the record carefully.

12. In the context of the above discussion, the Scheme contemplated between the petitioner companies, appears to be prima facie in compliance with all the requirements stipulated under the relevant Sections of Companies Act, 2013. In the absence of any objections before us and since all the requisite statutory compliance have been fulfilled, this Tribunal sanctions the scheme of arrangement appended as Annexure "A-1" with the company petition.

13. Notwithstanding the submission that no investigation is pending against the petitioner companies, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

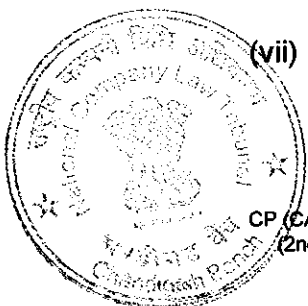
14. While approving the scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in



accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

15. THIS TRIBUNAL DO FURTHER ORDER:

- (i) That all the property, rights and powers of the Transferor Companies be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Companies but subject nevertheless to all charges now affecting the same;
- (ii) That all the liabilities and duties of the Transferor Companies be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company;
- (iii) That the Appointed Date for the scheme shall be 01.04.2019 as specified in the scheme;
- (iv) That the proceedings, if any, now pending by or against the Transferor Companies be continued by or against the Transferee Company;
- (v) That the employees of the Transferor Companies shall be transferred to the Transferee Company in terms of the 'Scheme';
- (vi) That the fee, if any, paid by the Transferor Companies on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme';
- (vii) That the transferee company shall file the revised memorandum and articles of association with the Registrar of Companies, N.C.T. of Delhi &

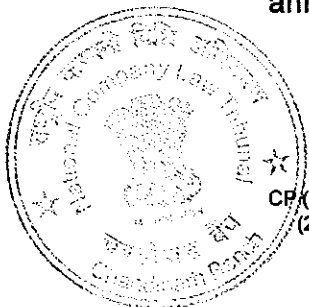


Haryana and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the transferee company; after setting off the fees paid by the transferor companies;

- (viii) That the Transferee Company shall deposit an amount of ₹50,000/- (Rupees Fifty Thousand Only) in favour of "The Company Law Tribunal Bar Association" Chandigarh within a period of four weeks from the date of receipt of the certified copy of this order;
- (ix) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary;
- (x) That the Petitioner Companies shall, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration in prescribed form and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the said Transferee Company, and the files relating to the Transferor Company and Transferee Company shall be consolidated accordingly, as the case may be.

16. The Petitioner Companies shall to file the Schedule of Assets of the Transferor Companies in the form as prescribed in the Schedule of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date of receiving a copy of this order.

17. All the concerned Regulatory Authorities to act on a copy of this order annexed with the Scheme duly authenticated by the Registrar of this Bench.



18. The certified copy of this order, if applied for, be supplied to the parties, subject to compliance with all requisite formalities.

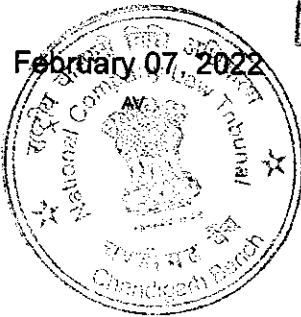
19. The Company Petition CP (CAA) No.10/Chd/Hry/2020 is disposed of accordingly.

Sd/-
(Subrata Kumar Dash)
Member (Technical)

Sd/-
(Harnam Singh Thakur)
Member (Judicial)

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National Company Law Tribunal
Chandigarh Bench, Chandigarh