
(2022) 02 NCLT CK 0085

In the National Company Law Tribunal

Case No : CA (CAA) No.14/Chd/Hry/2021(1st Motion)

Jindal Stainless Limited Vs

Date of Decision : 25-02-2022

Acts Referred:

Companies Act, 2013 — Section 66, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 230(3), 230(5), 232
Companies Act, 1956 — Section 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251
National Company Law Tribunal Rules, 2016 — Rule 11
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 — Rule 3, 8, 14, 18

Citation : (2022) 02 NCLT CK 0085

Hon'ble Judges : Harnam Singh Thakur, Member (J); Subrata Kumar Dash, Member (T)

Bench : Division Bench

Advocate : Rohit Khanna, Raghav Kapoor, Shivang Rawat, Abhishek Tiwari

Final Decision : Disposed Of

Judgement

Subrata Kumar Dash, Member (Technical)

1. This is a joint First Motion Application filed by Applicant Companies namely; Jindal Stainless Limited (Applicant Company No.1/Amalgamated Company) and Jindal Stainless (Hisar) Limited (Applicant Company No.2/Amalgamating Company No.1) and JSL Lifestyle Limited (Applicant Company No.3/Amalgamating Company No.2) and JSL Media Limited (Applicant Company No.4/Amalgamating Company No.3) and Jindal Stainless Corporate Management Services Private Limited (Applicant Company No.5/Amalgamating Company No.4) and Jindal Lifestyle Limited (Applicant Company No.6/Resulting Company) under Section 230-232 and Section 66 of Companies Act, 2013 (the Act) read with Rule 3 and Rule 18 of Companies Act, 2013 and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules) in relation to the Scheme of Arrangement between the Applicant Companies. The said Scheme is attached as

Annexure A-1 to the Application.

2. The Applicant Companies have prayed for dispensing with the requirement for convening the meetings of the Equity Shareholders of Applicant Company 3, 4, 5 & 6, Secured and Unsecured Creditors of the Applicant Company No.4, 5 and 6 and to convene the meetings of Equity Shareholders of the Applicant Company No.1 and Secured and Unsecured Creditors of Applicant Company No. 2 & 3. . It is further prayed to dispense with the requirement of issuing notices to unsecured creditors of; Applicant Company No. 1 and 2 having unsecured debt equal to or less than Rs 5,00,000/- as on 31.01.2021 and of Applicant Company No. 3 having unsecured debt equal to or less than Rs 1,00,000/- as on 31.01.2021

3. The Applicant Company No.1/Amalgamated Company is presently engaged in the business of steel and non-ferrous melting furnaces, converters, AP lines and casting facilities to produce stainless steel and things used for the manufacture, maintenance and working thereof. The Applicant Company No.2/Amalgamating Company No.1 is presently engaged in the business of alloy steels, steel and non-ferrous ingots, continuous cast slabs, blooms, rounds, billets of various cross-sections, alloys and special steel, to make and deal in ferrous/ non-ferrous and special alloys & steels including non-metallic for the purpose of use in Defence, Aero & Space, nuclear and for other application and The Applicant Company No.3/Amalgamating Company No.2 is presently engaged in the business of creator, innovator, designer, developer, producer, manufacturer, seller, purchaser, importer, exporter, whole-seller, dealer, stockiest, distributor, agent, trader, exchanger, fabricator, contractor, service-centre and jobber of products such as Home decor, Office Accessories, Dining & Bar Accessories, Hard-ware, Bath-room and Toilet accessories, Articles made of wax, SS Tanks, Pipes out of Stainless Steel sheet, Aluminum sheets, Ceramic, Wood, Leather, Glass, Acrylic, Plastic and other metal / alloy sheets in the sector of household or official goods, architectural Building, Construction, Automobiles and Railways Transport or any other allied sectors, The Applicant Company No.4/Amalgamating Company No.3 is presently engaged in the business of producing, promoting, researching and designing, communications in a variety of media (a) printing and publishing, (b) exhibition display, (c) audio, (d) video, (e) film (motion pictures and still photography. To carry on business as advertising agent to purchase and sell advertising time or space on any media like newspaper magazine pamphlet publication television, radio, mobile, internet, satellite in India, The Applicant Company No.5/Amalgamating Company No.4 is presently To enable companies, firms, other bodies corporate and/or individual(s), to mutually avail and share common facilities and resources of or provided by the company from time to time human resource development, business strategic planning, corporate communication, joint ventures, foreign collaboration(s), foreign exchange management, internal controls, management information systems, research and development, finances, technical assistance, project monitoring, engineering, information technology, electronic data processing and other information

technology related issues, budgeting, costing, legal, taxation, audit, training, sales and marketing, order allocation, good manufacturing practices, administration and control and similar areas related to the business of such companies/entities with a view to optimize the benefits of specialization and to achieve economies of scale and to rationalize costs of each such companies/entities, The Applicant Company No.6/Resulting Company is presently in the business of creator, innovator, designer, developer, producer, manufacturer, seller, purchaser, importer, exporter, whole-seller, dealer, stockiest, distributor, agent, trader, exchanger, fabricator, contractor, service-centre and jobber of products such as Home decor, Office Accessories, Dining & Bar Accessories, Hard-ware, Bath-room and Toilet accessories, Articles made of stainless steel, wax, SS Tanks, Pipes out of Stainless Steel sheet, Aluminium sheets, Ceramic, Wood

4. It is submitted that the registered offices of the Applicant Companies are at Hisar and/or at Jhajjar, which is situated in the State of Haryana and, therefore, the territorial jurisdiction of all applicant companies are with this Bench.

5. The background of companies and rationale of the Scheme is given below:-

(a) "The Amalgamated Company proposes to enter into this Scheme with Amalgamating Company No. 1, Amalgamating Company No. 2, Amalgamating Company No. 3 and Amalgamating Company No. 4, to consolidate their respective manufacturing/service capabilities thereby increasing efficiencies in operations and use of resources, to consolidate their diversified product and services portfolio for improving overall customer satisfaction, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically and globally, to simplify and streamline the group structure and to ensure optimization of working capital utilisation.

(b) The management of the respective Companies are of the view that the amalgamations proposed in this Scheme is, in particular, expected to have the following benefits:

(i) Consolidation of the complementing strengths will enable the Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.

(ii) The combined financial strength is expected to further accelerate the scaling up of the operations of the Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the businesses of the Amalgamated Company.

(iii) The consolidation of funds and resources will lead to optimisation of working capital utilization and stronger financial leverage given the simplified capital structure, improved balance sheet, optimised management structure and

consolidation of cross location talent pool.

(iv) The amalgamation will result in simplification of the group and business structure and will enable the consolidated entity to have a stronger global footprint and more extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention.

(c) Above all, since both, the Amalgamating Company No. 1 and the Amalgamated Company are companies belonging to the same promoter group which are engaged in manufacturing of stainless steel, the amalgamation pursuant to Part B of the Scheme will enable them to bring together their respective synergies in manufacturing of stainless steel thereby enhancing value for all the stakeholders.

(d) The Scheme envisages demerger of the Demerged Undertaking and vesting of the same in the Resulting Company pursuant to Part C, to enable the Resulting Company and the Demerged Company to achieve optimum growth and development of their respective business operations post such demerger. The nature of risk and opportunities involved in both the businesses is divergent and capable of attracting different sets of investors. The management of the respective companies believes that both the businesses (i.e., Non-Mobility Business (as defined hereinunder) and Mobility Business (as defined hereinunder) will benefit from separate focused management and separate investment strategy leading to development, expansion and growth for maximisation of stakeholder value.

(e) After the demerger of the Demerged Undertaking and vesting of the same into the Resulting Company pursuant to Part C of the Scheme, the residual undertaking of the Amalgamating Company No. 2 which is engaged in the Mobility Business (as defined hereinunder) and therefore has a greater synergy with the business of the Amalgamated Company (manufacture of stainless steel and stainless steel products) would be amalgamated with the Amalgamated Company pursuant to Part D of the Scheme to tap the larger resources of the Amalgamated Company, enhance its productivity and efficiency of operations and logistics.

(f) Amalgamation of the Amalgamating Company No. 3 pursuant to Part E will lead to a simplified and streamlined structure and help in better utilization of the resources and lead to operational efficiencies.

(g) Amalgamation of the Amalgamating Company No. 4 pursuant to Part F will also lead to a simplified and streamlined structure and help in better utilization of the resources and lead to operational efficiencies.

(h) The management of the respective Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Companies. Further, the Scheme will enable the synergies that already exist between the Amalgamating Companies

and the Amalgamated Company in terms of services and resources to be used optimally for the benefit of their stakeholders.”

6. It is stated that the Board of Directors of the Applicant Companies in their respective meetings held on 29.12.2020 have considered and unanimously approved the Scheme of Arrangement subject to sanctioning of the same by this Tribunal. The copy of the Board Resolutions of the Applicant Company No. 1 to 6 are attached as Annexure A-4, Annexure A-11, Annexure A-18, Annexure A-24, Annexure A-30, Annexure A-36 respectively of the application. The Applicant Company No.1, Applicant Company No. 4 and Applicant Company No. 5 have authorized Mr. Navneet Raghuvanshi, Company Secretary, and Applicant Company No.2, Applicant No. 3 and Applicant Company No.6 have authorized Mr. Bhartendu Harit, Company Secretary, to do all acts and deeds and things in relation to the sanctioning of the Scheme and for the filing of present application/ affidavits/documents with statutory authorities. The affidavit of Mr. Navneet Raghuvanshi, Authorised Signatory Applicant Company No .1 & 4 and Applicant Company No.5) and Mr. Bhartendu Harit, Authorized Signatory of Applicant Company No. 2, 3 and Applicant Company No. 6 have been filed in support of contents of the application for seeking appropriate orders/directions.

7. The appointed date of the Scheme is 01.04.2020 as mentioned in the Clause 5.11 of Scheme of Arrangement which is attached as Annexure-A-1 of the application.

8. It is stated that the Amalgamated Company/Applicant Company No.1, Applicant Company No.2/Amalgamating Company No.1, Applicant Company No.3/ Amalgamating Company No.2, Applicant Company No.4/Amalgamating Company No.3 and Applicant Company No.5/Amalgamating Company No.4 have filed the audited financial statements as on 31.03.2021 and for the period ended 30.09.2021 which are attached as Annexure- A-1 to Annexure A-6 respectively of the Diary No. 01329 dated 12.11.2021.

9. It is submitted that no investigation proceedings have been instituted or are pending in relation to the Applicant Companies under Sections 235 to 251 of the Companies Act, 1956 or under Sections 206 to 229 (Chapter XIV) of the Act. It is further submitted that no corporate debt restructuring is envisaged in the proposed Scheme

10. It is submitted that in pursuance of the proviso to Sec. 230 (7) and Section 232 (3) of the Act, the Applicant Companies have filed the certificate dated 11.03.2021 issued by Statutory Auditors certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same are attached as Annexure A-41 of the application.

11. It is further submitted by the counsel for applicant companies that as per Valuation Report dated 29.12.2020 submitted by Mr. Niranjana Kumar, Registered Valuer bearing Registration No. IBBI/RV/06/2018/10137 is attached as Annexure-A-40. The Share Exchange Ratio is given below:-

"1. To the equity shareholders/GDS holders of JSHL 195 (One Hundred and Ninety Five) equity shares of JSL having face value of INR 2 each fully paid up shall be issued for every 100 (One Hundred) equity shares held in JSHL having face value of INR 2 each fully paid up.

195 (One Hundred and Ninety Five) GDS of JSL shall be issued for every 100 (One Hundred) GDS held in JSHL

2. To the equity shareholders of JSLLL

101 (one Hundred and one) equity shares of JSL having face value of INR 2 each fully paid up shall be issued for every 100 (One Hundred) equity shares of JSLLL having face value of INR 10 each fully paid up.

3. To the equity shareholders of JML

JML (Amalgamating Company No.3) is a wholly owned subsidiary of JSHK. Upon Part B of the Scheme becoming effective whereby JSHL (Amalgamating Company No. 1) shall merge with JSL (Amalgamated Company), JML shall become a wholly owned subsidiary of JSL. Therefore, the shares held by JSL (post effectiveness of Part B of the Scheme) in JML would get cancelled and no equity shares would be required to be issued to the equity shareholders of JML (i.e. JSL) for the proposed amalgamation as defined under Part E of the Scheme.

4. To the equity shareholders of JSCMS

Equity shares of JSCMS (Amalgamating Company No.4) outstanding as at the report date are held in equal proportion by JSL (Amalgamated Company) and JSHL (Amalgamating Company No.1). Upon Part B of the Scheme becoming effective whereby JSHL (Amalgamating Company No.1) shall merge into and with JSL (Amalgamated Company), JSCMS shall become a wholly owned subsidiary of JSL. Therefore, the shares held by JSL (post effectiveness of Part B of the Scheme) in JSCMS would get cancelled and no equity shares would be required to be issued to the equity shareholders of JSCMS (i.e. JSL) for the proposed amalgamation as defined under Part F of the Scheme.

12. It is submitted by the learned counsel that by virtue of Clause 8.2, 19.2, 29.2, 38.2 and 47.2 the Scheme of Arrangement (Annexure- A1) also takes care of the interests of the staff/workers and employees of the Applicant Companies.

13. The Applicant Company No.1 and 2 have deposed by way of affidavit that the they are governed by (i) Regional Director (Northern Region), Ministry of Corporate Affairs, (ii) Registrar of Companies, (NCT of Delhi & Haryana) (iii) Income Tax Department (iv) Official Liquidator attached to High Court of Punjab and Haryana (v) Securities Exchange Board of India (SEBI) (vi) National Stock Exchange Board of India (NSE) (vii) Bombay Stock Exchange Board of India (BSE). The Applicant Company No.3, 4, 5 & 6 have deposed by way of affidavit that the they are governed by (i) Regional Director (Northern Region), Ministry of Corporate Affairs, (ii) Registrar of Companies, (NCT of Delhi & Haryana) (iii)

Income Tax Department (iv) Official Liquidator attached to High Court of Punjab and Haryana. The aforesaid affidavits of the authorised signatories are attached Annexure A-42 of the application.

14. The Applicant Companies has furnished the following documents: -

- i. List of Secured and Unsecured Creditors of Applicant Company No.1/ Amalgamated Company duly certified by the Statutory Auditors (Annexure- A-6 and A-7 respectively of the application).
- ii. List of Secured and Unsecured Creditors of Applicant Company No.2/ Amalgamating Company No.1 duly certified by the Statutory Auditors (Annexure- A-13 and A-14 respectively of the application)
- iii. List of Secured and Unsecured Creditors of Applicant Company No.3/ Amalgamating Company No.2 duly certified by the Statutory Auditors (Annexure A-20 and A-21 respectively of the application).
- iv. List of Secured and Unsecured Creditors of Applicant Company No.4/ Amalgamating Company No.3 duly certified by the Statutory Auditors (Annexure A-26 and A-27 respectively of the application).
- v. List of Secured and Unsecured Creditors of Applicant Company No.5/ Amalgamating Company No.4 duly certified by the Statutory Auditors (Annexure A-32 and A-33 respectively of the application).
- vi. List of Secured and Unsecured Creditors of Applicant Company No.6/Resulting Company duly certified by the Statutory Auditors (Annexure- A-38 and A-39 respectively of the application).
- vii. Certificates of Statutory Auditors to the effect that Accounting treatment proposed in the Scheme is in conformity with Section 133 of Companies Act, 2013 (Annexure A-40 of the application).
- viii. Proposed Share Exchange Ratio (Annexure A-40 of the application.)
- ix. Affidavit with regard to Sectoral Regulators (Annexure A-42 of the application).
- x. Observation letters from the BSE Limited and the NSE Limited dated 04.03.2021 and 05.03.2021 in respect of the Applicant Company No. 1 and 2 (Annexure A-8 and A-15, respectively of the application).
- xi. Audited Financial Statement as on 31.03.2018, 31.03.2019 & 31.03.2020 of Applicant Companies (Annexure-A-3, Annexure A-10, Annexure A-17, Annexure A-23 and Annexure- A-29 respectively of the application).
- xii. Audited Financial Statement as on 31.03.2021 and Provisional Financial Statements as on 30.09.2021 of Applicant Companies (Annexure-A-1 to Annexure A-6 respectively of the Diary No. 01329 dated 12.11.2021).

15. The Applicant Company No.1/Amalgamated Company i.e. Jindal Stainless

Limited CIN: L26922HR1980PLC010901 is a public limited company incorporated under the Companies Act, 1956 on 29.09.1980. The certificate of incorporation along with Memorandum and Articles of Association is attached as Annexure A-2 of the application. The Applicant Company No.1/Amalgamated Company has total Authorised Capital of ₹ 1,55,00,00,000/- comprising of 60,50,00,000 Equity Shares of INR Rs. 2/- each and 17,00,00,000/- Preference Shares of Rs. 2/- each. The Issued, Subscribed and Paid-up Share Capital of Applicant Company No.1/Amalgamated Company is ₹ 97,44,69,200/- comprising of 48,72,34,600/- Equity Shares of INR Rs. 2/- each. The share capital of Applicant Company No. 2 includes 88,02,167 (Eighty-eight lakh two thousand one hundred sixty seven) Global Depository Shares ("GDS") of Rs. 2/- (Rupees Two) each issued by the Applicant Company No. 2 representing RS 1,76,04,334 (One crore seventy-six lakh four thousand three hundred thirty four).

16. The Applicant Company No.2/Amalgamating Company No.1 i.e. Jindal Stainless (Hisar) Limited CIN: L27205HR2013PLC049963 is a private limited company incorporated under the Companies Act, 1956 on 30.07.2013. The certificate of incorporation along with Memorandum and Articles of Association is attached as Annexure A-9 of the application. The Applicant Company No.1/Amalgamated Company has total Authorised Capital of ₹ 50,00,00,000/- comprising 24,00,00,000 Equity Shares of INR Rs. 2/- each and 1,00,00,000/- of Preference Shares of Rs. 2/- each. The Issued, Subscribed and Paid-up Share Capital of Applicant Company No.1/Amalgamated Company is ₹ 47,18,69,370/- comprising 23,59,34,685/-Equity Shares of INR Rs. 2/-each. The share capital of Applicant Company No. 2 includes 75,52,167 (Seventy Five Lakh Fifty Two Thousand One Hundred and Sixty Seven) Global Depository Shares ("GDS") representing 1,51,04,334 (One Crore Fifty One Lakh Four Thousand Three Hundred and Thirty Four) equity shares of Rs. 2/- (Rupees Two) each of the Applicant Company 2, issued by the Applicant Company 2.

17. The Applicant Company No.3/Amalgamating Company No.2 i.e., JSL Lifestyle Limited CIN: U74920HR2003PLC035976 is a private limited company incorporated under the Companies Act, 1956 on 20.10.2003. The certificate of incorporation along with Memorandum and Articles of Association is attached as Annexure A-16 of the application. The Applicant Company No.3/Amalgamating Company No.2 has total Authorised Capital of ₹ 38,00,00,000/- comprising of 3,80,00,000 Equity Shares of INR Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital of Applicant Company No.3/Amalgamating Company No.2 is ₹ 28,50,17,390/- comprising of 2,85,01,739/-Equity Shares of INR Rs. 10/- each.

18. The Applicant Company No.4/Amalgamating Company No.3 i.e., JSL Media Limited CIN: U7010HR2007PLC091299 is a private limited company incorporated under the Companies Act, 1956 on 31.10.2007. The certificate of incorporation along with Memorandum and Articles of Association is attached as Annexure A-22 of the application. The Applicant Company No.4/Amalgamating Company No.3

has total Authorised Capital of ₹ 1,00,00,000/- comprising of 10,00,000 Equity Shares of INR Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital of Applicant Company No.4/Amalgamating Company No.3 is ₹ 5,00,000/- comprising 50,000/- Equity Shares of INR Rs. 10/-each.

19. The Applicant Company No.5/Amalgamating Company No.4 i.e. Jindal Stainless Corporate Management Services Private Limited CIN: U74140HR2013PTC049340 is a private limited company incorporated under the Companies Act, 1956 on 28.05.2013. The certificate of incorporation along with Memorandum and Articles of Association is attached as Annexure-28 (colly) of the application. The Applicant Company No.5/Amalgamating Company No.4 has total Authorised Capital of ₹ 1,00,000/- comprising 10,000 Equity Shares of INR Rs. 10/- each. The Issued, Subscribed and Paid-up Share Capital of Applicant Company No.5/Amalgamating Company is ₹ 1,00,000/- comprising 10,000/- Equity Shares of INR Rs. 10/-each.

20. The Applicant Company No.6/Resulting Company i.e. Jindal Lifestyle Limited CIN: U36109HR2020PLC091638 is a Public Limited Company incorporated under the Companies Act, 2013 on 16.12.2020. The certificate of incorporation along with Memorandum and Articles of Association is attached as Annexure A-34 of the application. The Applicant Company No.6 has Authorised Capital of ₹ 50,00,000/- comprising of 5,00,000 Equity Shares of INR 10 each. The Issued, Subscribed and Paid-up Share Capital is ₹ 1,00,000/- comprising of 10,000 Equity Shares of ₹ 10/- each.

21. The Applicant Companies have furnished the details of the Shareholders. Secured Creditors and Unsecured Creditors as follow:

Name of the Applicant Companies

Shareholders along with their consents

Creditors along with their consents

Equity Shareholders

Consents submitted on affidavit

Secured Creditors

Consents submitted on affidavit

Unsecured Creditors

Consents submitted on affidavit

Applicant Company No.1

67,090

Meetings to be convened

12

Meetings to be convened

2247

Meetings to be convened

Applicant Company No.2

53,967

Meetings to be convened

10

Meetings to be convened

1894

Meetings to be convened

Applicant Company No.3

7

100%

In value

2

Meetings to be convened

619

Meetings to be convened

Applicant Company No.4

7

100%

In value

NIL

NIL

3

100%

In value

Applicant Company No.5

2

100%

In value

NIL

NIL

97

95.45%

In value

Applicant Company No.6

7

100%

In value

NIL

NIL

1

100%

In value

22. It is further submitted that the shareholding pattern of Applicant Company No. 1 as on 31.01.2021 duly certified by the Statutory Auditor is attached as Annexure A-5 of the application. The list of shareholders of Applicant Company No. 1 is given in a compact disk which is attached as Annexure A-5 of the application. The consents issued by more than 90% in value of the warrant holders of Applicant Company 1 is part of Annexure A-5 of the application. The list of Secured and Unsecured Creditors of Applicant Company No.1 duly certified by the Statutory Auditor are attached as Annexure A-6 and A-7 respectively of the application. As per Certificate dated 12.03.2021 issued by the Statutory Auditor of Applicant Company No.1, there are 12 (Twelve) Secured Creditors and 2247 (Two Thousand Two Hundred Forty-Seven) Unsecured Creditors as on 31.01.2021.

23. It is further submitted that the shareholding pattern of Applicant Company No. 2 as on 31.01.2021 duly certified by the Statutory Auditor is attached as Annexure A-12 of the application. The list of shareholders of Applicant Company No. 2 is given in a compact disk which is attached as Annexure A-12 of the application. The list of Secured and Unsecured Creditors of Applicant Company No.2 duly certified by the Statutory Auditor are attached as Annexure A-13 and A-14 respectively of the application. As per Certificate dated 12.03.2021 issued by the Statutory Auditor of Applicant Company No.1, there are 10 (Ten) Secured

Creditors and 1894 (One Thousand Eight Hundred Ninety-Four) Unsecured Creditors as on 31.01.2021.

24. It is submitted that as per the Certificate dated 09.03.2021 issued by the Statutory Auditor, there are 7 Equity Shareholders of the Applicant Company No.3 as on 31.01.2021 and the same is attached as Annexure A-19 of the application. The consents of Equity Shareholders of the Applicant Company No.3 to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-19 of the application. The list of Secured and Unsecured Creditors of Applicant Company No.3 duly certified by the Statutory Auditor are attached as Annexure A-13 and A-14 respectively of the application. It is submitted that as per Certificate dated 12.03.2021 issued by the Statutory Auditors, the Applicant Company No.3 has 02 (Two) Secured Creditors and 619 (Six Hundred Nineteen) Unsecured Creditors as on 31.01.2021.

25. It is submitted that as per the Certificate dated 09.03.2021 issued by the Statutory Auditor, there are 7 Equity Shareholders of the Applicant Company No.4 as on 31.01.2021 and the same is attached as Annexure A-25 of the application. The consents of Equity Shareholders of the Applicant Company No.4 to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-25 of the application. The list of Secured and Unsecured Creditors of Applicant Company No.4 duly certified by the Statutory Auditor are attached as Annexure A-26 and A-27 respectively of the application. It is submitted that as per Certificate dated 12.03.2021 issued by the Statutory Auditors, the Applicant Company No.4 has NIL Secured Creditors and 03 (Three) Unsecured Creditors as on 31.01.2021. The consents of Secured and Unsecured Creditors of the Applicant Company No.4 to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-26 and Annexure A-27 respectively of the application.

26. It is submitted that as per the Certificate dated 09.03.2021 issued by the Statutory Auditor, there are 2 Equity Shareholders of the Applicant Company No.5 as on 31.01.2021 and the same is attached as Annexure A-31 of the application. The consents of Equity Shareholders of the Applicant Company No.5 to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-31 of the application. The list of Secured and Unsecured Creditors of Applicant Company No.5 duly certified by the Statutory Auditor are attached as Annexure A-32 and A-33 respectively of the application. It is submitted that as per Certificate dated 12.03.2021 issued by the Statutory Auditors, the Applicant Company No.5 has NIL Secured Creditors and 97 (Ninety-Seven) Unsecured Creditors as on 31.01.2021. The consents of Unsecured Creditors of the Applicant Company No.5 holding 95.45% in value have given their consent to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-33 of the application.

27. It is submitted that as per the Certificate dated 09.03.2021 issued by the Statutory Auditor, there are 7 Equity Shareholders of the Applicant Company

No.6 as on 31.01.2021 and the same is attached as Annexure A-37 of the application. The consents of Equity Shareholders of the Applicant Company No.6 to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-37 of the application. The list of Secured and Unsecured Creditors of Applicant Company No.6 duly certified by the Statutory Auditor are attached as Annexure A-38 and A-39 respectively of the application. It is submitted that as per Certificate dated 12.03.2021 issued by the Statutory Auditors, the Applicant Company No.6 has NIL Secured Creditors and 1 (One) Unsecured Creditors as on 31.01.2021. The consents of sole Unsecured Creditors of the Applicant Company No.6 has given their consent to the proposed Scheme has been received by way of affidavit and the same are part of Annexure A-39 of the application

28. This Bench has decided the issue of dispensation of meeting of shareholders in the cases of: CA (CAA) No.2/Chd/Hry/2021 Goibibo Group Private Limited & Ors. dated 23.12.2021; CA No.189/2021 & CA (CAA) No.41/Chd/Pb/2021 G.N.A Transmissions Pvt. Ltd. & Ors. dated 23.12.2021; and CA (CAA) No.35/Chd/Hry/2021 NAM Estates Private Limited dated 23.12.2021. In the aforementioned orders, after discussing the differing views of coordinate Benches, this Bench has followed the decisions of the Hon'ble NCLAT in DLF Phase-IV Commercial Developers Limited and Others with DLF Limited, (Company Appeal (AT) No.180 of 2019) dated 19.08.2019 and Alovera Tradelink Pvt. Limited and Others Vs. Ostwal Physchem (India) Limited in Company Appeal (AT) No.178/2019 decided on 06.08.2019 on this issue and has held that "depending on the facts and circumstances of each case, the NCLT has the powers to dispense with the meetings of shareholders and others by using judicial discretion".

29. Accordingly, the directions of this Bench in the present case are as under:-

I. In relation to Applicant Company No.1/ Amalgamated Company:

a. The meetings of the Equity Shareholders are to be convened as prayed for on 23.04.2022 at 10:30 AM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 26,836 in number or 40% in value of the Equity Shareholders;

b. The meetings of the Secured Creditors are to be convened as prayed for on 23.04.2022 at 1:00 PM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the secured creditors shall be 5 in number or 40% in value of the unsecured creditors;

c. The meetings of the Unsecured Creditors (to whom more than or equal to Rs. 2,00,000/- is payable) are to be convened as prayed for on 23.04.2022 at 03:30 PM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 899 in number or 40% in value of the unsecured creditors;

II. In relation to Applicant Company No.3/Amalgamating Company No.2:

a. The meetings of the Equity Shareholders is dispensed with keeping in view the shareholding and ownership pattern of the company and the fact that the consent by way of affidavits has been received;

b. The meetings of the Secured Creditors are to be convened as prayed for on 24.04.2022 at 10:30 AM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the secured creditors shall be 2 in number or 40% in value of the unsecured creditors;

c. The meetings of the Unsecured Creditors (to whom more than or equal to Rs. 1,00,000/- is payable) are to be convened as prayed for on 24.04.2022 at 12:30 AM PM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 248 in number or 40% in value of the unsecured creditors;

III. Mr. Puneet Bali, Senior Advocate, address:- #217, Sector 18-A, Chandigarh-160018, Mobile No. 9814078892, email id: pbaliadvocate@gmail.com, is appointed as the Chairperson for the meeting of Applicant Company No.1 and Applicant Company No.2 to be called under this order. An amount of ₹ 2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson.

IV. Mr. Akaant Kumar Mittal, Advocate, Address: Office at #2878, Sector-61 (Phase VII), Mohali-160062, Mobile No. 8447586173, e-mail id: mittalakaant@gmail.com, is appointed as the Alternate Chairperson for the meeting of Applicant Company No. 1 and Applicant Company No. 2 to be called under this order. An amount of ₹ 1,50,000/-(Rupees One Lakh Fifty Thousand Only) be paid for his services as the Alternate Chairperson.

V. Mr. Mast Ram, Practising Company Secretary, Address: Office at SCO No. 35, First Floor, Sector 20-C, Chandigarh, Mobile No. 9417264876, email id: mrchechi@yahoo.com, is appointed as the Scrutinizer for the meeting of Applicant Company No.1 and Applicant Company No. 2 to be called under this order. An amount of ₹ 1,00,000/- (Rupees One Lakh Only) be paid for his services as the Scrutinizer.

VI. In relation to Applicant Company No.2/Amalgamating Company No.1:

a. The meetings of the Equity Shareholders are to be convened as prayed for on 23.04.2022 at 10:30 AM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 21,587 in number or 40% in value of the Equity Shareholders;

b. The meetings of the Secured Creditors are to be convened as prayed for on 23.04.2022 at 01:00 PM through Video Conferencing with facility of remote e-

voting, subject to notice of meeting being issued. The quorum of the meeting of the secured creditors shall be 4 in number or 40% in value of the unsecured creditors;

c. The meetings of the Unsecured Creditors (to whom more than or equal to Rs. 2,00,000/- is payable) are to be convened as prayed for on 23.04.2022 at 03:30 PM through Video Conferencing with facility of remote e-voting, subject to notice of meeting being issued. The quorum of the meeting of the unsecured creditors shall be 758 in number or 40% in value of the unsecured creditors;

VII. Mr. Balvinder Singh, Retd. Member (Technical), NCLAT, Address #67, Sector-69, S.A.S. Nagar, Mohali, Punjab-160062, Mobile No.9868151511, email id: navi6769@hotmail.com, is appointed as the Chairperson for the meeting of Applicant Company No. 3 to be called under this order. An amount of ₹ 2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson.

VIII. Ms. Jyoti Sareen, Advocate, Address : #1233, First Floor, Sector 34-C, Chandigarh, Mobile No. 9814436330, e-mail id: jyotisareensp@yahoo.com, is appointed as the Alternate Chairperson for the meeting of Applicant Company No. 3 to be called under this order. An amount of ₹ 1,50,000/-(Rupees One Lakh Fifty Thousand Only) be paid for her services as the Alternate Chairperson.

IX. Mr. Ajay Bhagwati, Advocate, Address: G-404, Imperial Residency Peer Muchalla Zirakpur, Punjab-140603, Mobile No. 9816002722, email id: ajaybhagwati@gmail.com, is appointed as the Scrutinizer for the above meeting of Applicant Company No. 3 to be called under this order. An amount of ₹ 1,00,000/- (Rupees One Lakh Only) be paid for his services as the Scrutinizer.

X. In relation to Applicant Company No. 4/ Amalgamating Company No.3:

a. The meetings of the Equity Shareholders is dispensed with keeping in view the shareholding and ownership pattern of the company and the fact that the consent by way of affidavits has been received;

b. Since, there are no Secured Creditors in the Applicant Company No. 4. Therefore, there is no scope for any meeting;

c. The meeting of the Unsecured Creditors of the Applicant Company No. 4 is dispensed with as it has three (3) Unsecured Creditors and the consent of the same have been received by way of affidavit;

XI. In relation to Applicant Company No.5/Amalgamating Company No.4:

a. The meetings of the Equity Shareholders is dispensed with keeping in view the shareholding and ownership pattern of the company and the fact that the consent by way of affidavits has been received;

b. Since, there are no Secured Creditors in the Applicant Company No. 5. Therefore, there is no scope for any meeting;

c. The meeting of the Unsecured Creditors of the Applicant Company No. 5 is dispensed with as it has 97 (Ninety-seven) Unsecured

Creditors as the consent of unsecured creditors holding 95.42% in value have been received by way of affidavit;

XII. In relation to Applicant Company No.6/Resulting Company

a. The meetings of the Equity Shareholders is dispensed with keeping in view the shareholding and ownership pattern of the company and the fact that the consent by way of affidavits has been received;

b. Since, there are no Secured Creditors in the Applicant Company No. 6. Therefore, there is no scope for any meeting;

c. The meeting of the Unsecured Creditors of the Applicant Company No. 6 is dispensed with as it has 1 (one) Unsecured Creditor and the consent of the same have been received by way of affidavit;

XIII. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.

XIV. The fee of the Chairperson, Alternate Chairperson and Scrutinizer and other out of pocket expenses for them shall be borne jointly by the Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company.

XV. It is further directed that individual notices of the said meetings shall be sent by Applicant Company No 1 and 2 (In Case of Meetings of Unsecured Creditors of Applicant Company No. 1 and 2 individual notices shall be sent to whom an amount of Rs. 2,00,000 or more is payable as on 31.01.2021) and by Applicant Company No.3 (In case of meetings of Unsecured Creditors of Applicant Company No. 3 individual notices shall be sent to whom an amount of Rs. 1,00,000 or more is payable as on 31.01.2021) through registered post or speed post or through courier or e-mail, 30 days in advance before the schedule date of meeting, indicating the day, date, the place and time as aforesaid, together with a copy of the Scheme, copy of explanatory statement with Valuation Report as discussed in paras 5 and 11 of this order required to be sent under the Companies Act, 2013 and the applicable Rules and any other documents as may be prescribed under the Act shall also be duly sent with the notice.

XVI. It is further directed that along with the notices, Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company shall also send, statements explaining the effect of the scheme on the creditors, key managerial personnel, promoters and non-promoter members etc. along with effect of the arrangement on any material interests of the Directors of the Company or the debenture

trustees, if any, as provided under sub-section (3) of Section 230 of the Act.

XVII. It is also directed that the provisional accounting statement of Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company as on 31.12.2021 or as on a subsequent date be also circulated for the aforesaid meeting in terms of Section 232 (2) (e) of the Act.

XVIII. That the Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company shall publish advertisement with a gap of at least 30 clear days before the aforesaid meeting, indicating the day, date and place and the time of meeting as aforesaid, to be published in "Financial Express" (English, Delhi NCR Edition) and "Jansatta" (Hindi, Delhi NCR Edition); It be stated in the advertisement that the copies of "Scheme", the Explanatory Statement required to be published pursuant to Section 230 to 232 of the Act. The Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company shall also publish the notice on its website, if any.

XIX. It shall be the responsibility of the Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company to ensure that the notices are sent under the signature and supervision of the authorized representative of the company on the basis of Board resolutions and that they shall file their affidavits in the Tribunal at least ten days before the date fixed for the meeting.

XX. Voting shall be allowed on the "Scheme" through electronic means which will remain open for a period as mandated under Clause 8.3 of Secretarial Standards on General Meetings to the Applicant Company No.1/Demerged Company and Applicant Company No.2/Resulting Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company under the Act and the Rules framed thereunder.

XXI. The Scrutinizer's report will contain his findings on the compliance to the directions given in Para XIV to XX above.

XXII. The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) days of the conclusion of the meeting. He would be fully assisted by the authorized representative/Company Secretary of the Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company and the Scrutinizer, who will assist the Hon'ble Chairperson and Alternate Chairperson in preparing and finalizing the report.

XXIII. The Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company shall individually and in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the "Rules" to (i) Central Government through (i) Regional Director (Northern Region), Ministry of Corporate Affairs, (ii) Registrar of Companies, (NCT of Delhi & Haryana) (iii) Income Tax Department (iv) Official Liquidator attached to High Court of Punjab and Haryana (v) Tax Department through the Nodal Officer – Principal Commissioner of Income Tax, NWR, Aayakar Bhawan, Sector 17-E, Chandigarh by mentioning the PAN number of the Applicant Companies; in case of Applicant Company No.1/Amalgamated Company and Applicant Company No.2/Amalgamating Company No.1 shall also send notices to (vi) Securities Exchange Board of India (SEBI) (vii) National Stock Exchange Board of India (NSE) (viii) Bombay Stock Exchange Board of India (BSE); and to such other Sectoral Regulator(s) governing the business of the Applicant Companies, if any, stating that representation, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall be simultaneously sent to the concerned companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

XXIV. The Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any creditor or member/shareholder entitled to attend the meeting as aforesaid.

XXV. The authorized representative of Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company shall also furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meeting.

XXVI. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Company No.1/Amalgamated Company, Applicant Company No.2/Amalgamating Company No.1 and Applicant Company No.3/Demerged Company.

30. With the aforesaid directions, this First Motion Application stands disposed of. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Alternate Chairperson and the Scrutinizer immediately.