(2024) 04 NCLT CK 0005

In the National Company Law Tribunal

Case No : CA (CAA) No. 58/Chd/Pb of 2023(1st Motion)

Shivansi Investments Private Limited Vs

Date of Decision : 04-04-2024

Acts Referred:
Companies Act, 2013 — Section 133, 230, 230(2), 230(3), 230(5), 232, 232(2)(e)
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 — Rule 8

Citation : (2024) 04 NCLT CK 0005

Hon'ble Judges : Dr. P.S.N. Prasad, Member (J);Umesh Kumar Shukla, Member (T)

Bench : Division Bench

Advocate : Dhritiman Bhattacharyya, Deeti Ojha

Final Decision : Disposed Of

Judgement

Dr. P.S.N. Prasad, Member (Judicial)

Umesh Kumar Shukla, Member (Technical)

1. This is a First Motion Application filed under Sections 230 to 232 of the Companies Act, 2013 and Rules made thereunder and other applicable provisions of Companies Act, 2013 by Applicant Companies namely; Shivansi Investments Private Limited (hereinafter referred to as Applicant Company 1/ Transferor Company 1), Ujjwal Investments & Tradings Limited (hereinafter referred to as Applicant Company 2/ Transferor Company 2), Ram Commercial Enterprises Limited (hereinafter referred to as Applicant Company 3/ Transferor Company 3), Kosani Finance and Investments Private Limited (hereinafter referred to as Applicant Company 4/ Transferor Company 4), Ralco Finance and Investments Private Limited (hereinafter referred to as Applicant Company 5/ Transferor Company 5), Ralco Enterprises Limited (hereinafter referred to as Applicant Company 6/ Transferor Company 6), Ralson (India) Limited (hereinafter referred to as Applicant Company 7/ Transferee Company 1/ Demerged Company), Ralson Rubber Private LImited (hereinafter referred to as Applicant Company 8/ Resulting Company), Ralson Tyres Limited (hereinafter referred to as Applicant Company 9/ Transferee Company 2) seeking sanction of the Composite Scheme

of Arrangement between the applicant companies.

2. The registered offices of all the Applicant Companies are situated in Ludhiana, Punjab. Therefore, the subject matter of the application is within the jurisdiction of this Bench.

3. The Facts of the Case, as stated in the application, are as below:

(i) The Scheme envisages amalgamation of Applicant Companies 1 to 6 with Applicant Company 7, Demerger of Demerged Undertaking of Applicant Company 7 into Applicant Company 8 and Amalgamation of Applicant Company 7 into Applicant Company 9. The said Scheme is attached as Annexure A of the Application.

(ii) As per the copy of the Valuation Report dated 23.06.2023 of Finvox Analytics, Registered Valuer Entity (Security & Financial Assets) bearing Registration No. IBBI/RV-E/06/2020/120 signed by CA. Amrish Garg, Partner, IBBI Registration No: IBBI/RV/06/2018/10044 annexed with the application, upon Scheme coming into effect, without any further act or deed, the eligible members of the Applicant Companies holding fully paid up equity shares would be issued and allotted shares in the following ratio:

§ By Transferee Company 1 to eligible members of Transferor Companies 1 to 6 (Annexure B):

“20,817 equity share (face value of Rs.10/- per share) of RIL for every 1,000 equity share (face value of Rs.100/- per share) of Transferor Company 1.

297 equity share (face value of Rs.10/- per share) of RIL for every 1,000 equity share (face value of Rs.10/- per share) of Transferor Company 2.

596 equity share (face value of Rs.10/- per share) of RIL for every 1,000 equity share (face value of Rs.10/- per share) of Transferor Company 3.

1,042 equity share (face value of Rs.10/- per share) of RIL for every 1,000 equity share (face value of Rs.10/- per share) of Transferor Company 4.

5,188 equity share (face value of Rs.10/- per share) of RIL for every 1,000 equity share (face value of Rs.100/- per share) of Transferor Company 5.

24,747 equity share (face value of Rs.10/- per share) of RIL for every 1,000 equity share (face value of Rs.100/- per share) of Transferor Company 6.”

§ By Resulting Company to eligible members of Demerged Company (Annexure C):

"1 equity share (face value of Rs.10/- per share) of RRPL for every 1 equity share (face value of Rs.10/ - per share) of RIL."

§ By Transferee Company 2 to eligible members of Transferor Company 7 (Annexure D):

"92,551 equity shares (face value of Rs.10/- per share) of RTL for every 1,000 equity share (face value of Rs.10/- per share) of Transferor Company 7".

(iii) Transferor Company 1/ Applicant Company 1 i.e. Shivansi Investments Private Limited ("SIPL") (CIN: U74899DL1982PTC013275) was incorporated as a private limited company on 12.03.1982 under the provisions of the Companies Act, 1956. The registered office of SIPL was shifted from Delhi to the State of Punjab vide the Order of the Regional Director dated 23.05.2023 and the fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh (hereinafter referred to as "RoC" on 28.06.2023 with CIN No. U74899PB1982PTC058925. Its registered office is now situated at Ralson Nagar, Dhandari Kalan, G.T. Road, Dhandari Kalan, Ludhiana-141014, Punjab. As on 31.03.2023, its Authorised Share Capital is Rs.95,00,000/- divided into 95,000 equity shares of Rs.100/- each and Issued Subscribed & Paid-Up Share Capital is Rs.41,15,300/- divided into 41,153 equity shares of Rs.100/- each. It is engaged in the business of making investments. Its main objects as well as object clause III.B(8), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(iv) Transferor Company 2/ Applicant Company 2 i.e. Ujjawal Investments & Tradings Limited ("UITL") (CIN: U67120DL1982PLC014863) was incorporated as a public limited company on 20.12.1982 under the provisions of the Companies Act, 1956. The registered office of UITL has been shifted from Delhi to the State of Punjab vide the Order of the Regional Director dated 25.05.2023 and the fresh certificate of incorporation was issued by the RoC on 28.06.2023 with CIN No. U67120PB1982PLC058929. Its registered office is now situated at Ralson Nagar, Dhandari Kalan, G.T. Road, Dhandari Kalan, Ludhiana-141014, Punjab. Its Authorized Share Capital is Rs.2,25,00,000/- divided into 22,50,000 equity shares of Rs.10/-each and Issued Subscribed & Paid-Up Share Capital is Rs.1,74,01,000/-divided into 17,40,100 equity shares of Rs 10/- each. It is engaged in the business of making investments. Its main objects as well as object clause III.B(22), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(v) Transferor Company 3/ Applicant Company 3 i.e. Ram Commercial Enterprises Limited ("RCEL") (CIN: U51909DL1982PLC013850) was incorporated as a public limited company on 11.06.1982 under the provisions of the Companies Act, 1956. The registered office of RCEL has been shifted from Delhi to the State of Punjab vide the Order of the Regional Director dated 23.05.2023 and the fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on 28.06.2023 with CIN No. U51909PB1982PLC058926. Its registered office is now situated at Ralson Nagar, Dhandari Kalan, G.T. Road, Dhandari Kalan, Ludhiana-141014, Punjab. Its Authorised Share Capital is Rs.1,75,00,000/- divided into 17,50,000 equity shares of Rs.10/- each and Issued Subscribed & Paid-Up Share Capital is Rs.1,54,25,000/- divided into 15,42,500 equity shares of Rs 10/- each. It is engaged in the business of making investments. Its main objects as well as object clause III.B(22), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(vi) Transferor Company 4/ Applicant Company 4 i.e. Kosani Finance and Investments Private Limited ("KFIPL") (CIN: U65921PB1994PTC015498) was incorporated as a private limited company on 28.12.1994 under the provisions of the Companies Act, 1956. The registered office of KIPL is situated at Opposite Dhandari Kalan railway Station, G.T. Road, Ludhiana-141003, Punjab. Its Authorized Share Capital is Rs.2,00,00,000/- divided into 20,00,000 equity shares of Rs.10 each and Issued Subscribed & Paid-Up Share Capital is Rs.71,88,180/- divided into 7,18,818 equity shares of Rs 10 each. It is engaged in the business of making investments. Its main objects as well as object clause III.B(30), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(vii) Transferor Company 5/ Applicant Company 5 i.e. Ralco Finance And Investments Private Limited ("RFIPL") (CIN: U65921PB1992PTCO11984) was incorporated as a private limited company on 30.01.1992 under the provisions of the Companies Act, 1956. The registered office of RFIPL is situated at Opposite Dhandari Kalan railway Station, G.T. Road, Ludhiana-141003, Punjab. Its Authorized Share Capital is Rs.1,00,00,000/- divided into 100,000 equity shares of Rs.100 each and Issued Subscribed & Paid-Up Share Capital is Rs.60,42,000/- divided into 60,420 equity shares of Rs 100 each. It is engaged in the business of making investments. Its main objects as well as object clause III.B(23), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(viii) Transferor Company 6/ Applicant Company 6 i.e. Ralco Enterprises Limited ("REL") (CIN: U25111PB1992PLC011972) was incorporated as a public limited company on January 27, 1992 under the provisions of the Companies Act, 1956. The registered office of REL is situated at Opposite Dhandari Kalan railway Station, G.T. Road, Ludhiana-141003, Punjab. Its Authorized Share Capital is Rs.25,00,000/- divided into 25,000 equity shares of Rs.100 each and Issued Subscribed & Paid-Up Share Capital is Rs.5,29,000/- divided into 5,290 equity shares of Rs 100 each. It is engaged in the business of making investments. Its main objects as well as object clause III.B(20), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(ix) Transferee Company 1/Demerged Company/Transferor Company 7/ Applicant Company 7 i.e. Ralson (India) Limited ("RIL") (CIN: U51909DL1974PLC042836) was incorporated as a public limited company on 30.03.1974 under the provisions of the Companies Act, 1956. The registered office of RIL has been shifted from Delhi to the State of Punjab vide the Order of the Regional Director dated 12.04.2023 and the fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on 29.05.2023 with CIN No. U51909PB1974PLC058656. The registered office of RIL is now situated at Ralson Nagar, G.T. Road, Ludhiana-141003, Punjab. Its Authorized Share Capital is

Rs.21,00,00,000/- divided into 2,10,00,000 equity shares of Rs.10 each and Issued Subscribed & Paid-Up Share Capital is Rs.4,53,47,300/- divided into 45,34,730 equity shares of Rs 10 each. It is engaged in the business of manufacturing of bicycles tyres and tubes. Its main objects as well as object clause III.B(11) and III.B(18), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(x) Resulting Company/ Applicant Company 8 i.e. Ralson Rubber Private Limited ("RRPL") (CIN: U22119PB2023PTC058610) was incorporated as a private limited company on 25.05.2023 under the provisions of the Companies Act, 2013. The registered office of RRPL is situated at Ralson Nagar G.T. Road, Dhandari Kalan, Ludhiana-141014, Punjab. Its Authorised Share Capital is Rs.15,00,000/- divided into 1,50,000 equity shares of Rs.10 each and Issued Subscribed & Paid-Up Share Capital is Rs.1,50,000/- divided into 15,000 equity shares of Rs 10 each. It is engaged in the business of manufacturing of bicycles tyres and tubes. Its main objects as well as object clause III.B(11) and III.B(12), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(xi) Transferee Company 2/ Applicant Company 9 i.e. Ralson Tyres Limited ("RTL") (CIN: U25209DL2019PLC356559) was incorporated as a public limited company on October 23, 2019 under the provisions of the Companies Act, 2013. The registered office of RTL has been shifted from Delhi to the State of Punjab vide the Order of the Regional Director dated 12.04.2023 and the fresh certificate of incorporation was issued by the Registrar of Companies, Chandigarh on 29.05.2023 with CIN No. U25209PB2019PLC058660 as its. The registered office of RTL is now situated at Ralson Nagar, G.T. Road, Dhandari Kalan, Ludhiana-141014, Punjab. Its Authorised Share Capital is Rs.5,40,00,00,000/- divided into 54,00,00,000 equity shares of Rs.10 each and Issued Subscribed & Paid-Up Share Capital is Rs.4,42,50,85,300/- divided into 44,25,08,530 equity shares of Rs.10 each. It is engaged in the business of manufacturing of tyres and radial tyres for heavy commercial vehicles. Its main objects as well as object clause III.B(11), which authorises to amalgamate with other company are set out in its Memorandum of Association.

(xii) The copy of master data of Applicant Companies 1 to 9 have been annexed as Annexure E1, F1, G1, H1, I1, J1, K1, L1 and M1 respectively with the Application. The copy of Memorandum and Articles of Association of Applicant Companies 1 to 9 have also been annexed as Annexure E2, F2, G2, H2, I2, J2, K2, L2 and M2 respectively with the Application.

(xiii) Post 31.03.2023 and till the approval of the Scheme by the Board of Directors of Applicant Companies, there is no change in their Authorised, Issued, Subscribed and Paid-Up Share Capital.

(xiv) The copy of Audited Financial Statements as on 31.03.2023 of Applicant Companies 1, 2, 3, 4, 5, 6, 7 and 9 have been annexed as Annexure E3, F3, G3, H3, I3, J3, K3 and M3 respectively with the Application. The copy of Unaudited

Provisional Statement of Accounts as on 31.08.2023 of Applicant Companies 1, 2, 3, 4, 5, 6, 7 & 9 and as on 15.10.2023 of Applicant Company 8 have been annexed as Annexure E4, F4, G4, H4, I4, J4, K4 & M4 and L3 respectively with the Application.

(xv) The Applicant Companies are managed by its Board of Directors. The lists of Directors as on 31.08.2023 of Applicant Companies 1, 2, 3, 4, 5, 6, 7 & 9 and as on 15.10.2023 of Applicant Company 8 have been annexed as Annexure E5, F5, G5, H5, I5, J5, K5 & M5 and L4 respectively with the Application.

(xvi) The Board of Directors of the Applicant Companies 1 to 9 have approved and adopted the Scheme at the Board Meetings held on 26.06.2023, 29.06.2023, 27.06.2023, 26.06.2023, 28.06.2023, 27.06.2023, 24.06.2023, 29.06.2023 and 30.06.2023 respectively and copy of their Board Resolutions have been annexed as Annexure E6, F6, G6, H6, I6, J6, K6, L5 and M6 respectively with the Application.

(xvii) The purpose and rationale of the Scheme is as under given below:

(a) "Simplification of group structure- The Scheme provides for amalgamation of companies and the same will lead to simplification of group structure, whereby a leaner structure can be achieved with reduction in overall general and administrative costs.

(b) Improved management Control- The Scheme ensures better management and control on the respective businesses. Independent management of each of the tyres division will ensure adoption of strategies necessary for growth of respective businesses. Further, it will also provide a separate platform for providing investment opportunities in the future."

(xviii) The accounting treatment specified in the Scheme is in conformity with the Accounting Standard prescribed under Section 133 of the Companies Act, 2013. The certificates issued by the statutory auditors of the Applicant Companies 1 to 9 to the effect have been annexed as Annexure N, O, P, Q, R, S, T, U and V respectively with the application.

(xix) The Directors of the Applicant Companies may be deemed to be concerned and/or interested in the Scheme to the extent, the said Directors are the common Directors of the Applicant Companies or to the extent the said Directors are the partners, directors, members, trustees of the companies, firms, association of persons, bodies corporate and/ or beneficiary of trust, that whole shares in any of the Companies.

(xx) Two Affidavits under section 230(2) of the Companies Act, 2013 have been filed by Applicant Companies 1 and 6 to 8 as well as by Applicant Companies 2 to 5 and 9, in which it has been submitted that:

· No investigation or proceedings under the Companies Act, 1956/ Companies Act, 2013 have been instituted or are pending in relation to any of the Applicant Companies.

· The scheme does not envisage reduction of share capital of the Applicant Companies, save to the limited extent of cancellation of shares held by the Transferor Companies 1 to 6 in Transferee Company 1 under Clause 6.4 of the Scheme, cancellations of shares held by the shareholders' pre-demerger in the Resulting Company under Clause 13 of the Scheme, cancellations of shares held by the Transferor Company 7 in Transferee Company 2 under Clause 18.4 of the Scheme.

· The proposed scheme is not a corporate debt restructuring scheme and hence, a creditors' responsibility statement and other requirements of 230(2)(c) are not applicable in the present case.

· No winding up and insolvency petition is pending against the applicant Companies.

· The shares of none of the Applicant Companies are listed on any stock exchanges.

· The activities of Applicant Companies are not governed by any sectoral regulator and none of the Applicant Companies qualified as NBFC as they do not fulfil the 50:50 test as per their latest audited financial statement.

· The scheme does not fall within the purview of the Competition Act, 2000, since, it is a transaction within the same group and in terms of Item 9 of Schedule I read with Regulation 4 of Competition Commission of India (Procedure in regard to the transaction of business relating to the combination) Regulations, 2011, no notice is required to be filed with the CCI as the present arrangement is a group re-structuring exercise and more than 50% shares or voting right (directly or indirectly) in each of the Applicant Companies are held by enterprise(s) within the same group and there is no question of transfer to joint control to sole control.

(xxi) The Applicant Companies have prayed for dispensing with the requirement of convening the meetings of Equity Shareholders of all the Applicant Companies in view of the fact that all the equity shareholders of the Applicant Companies have consented to the waiver of the meeting to be convened for sanctioning of the Scheme, subject to necessary directions of the Tribunal. The lists of equity shareholders dated 31.08.2023 of Applicant Companies 1, 2, 3, 4, 5, 6, 7 & 9 and dated 15.10.2023 of Applicant Company 8 have been annexed as Annexure E7, F7, G7, H7, I7, J7, K7& M7 and L6 respectively with the Application and the consent of all the equity shareholders by way of Affidavit of No Objection from the equity shareholders of Applicant Companies 1 to 9 have been annexed as Annexure E8, F8, G8, H8, I8, J8, K8, L7 and M8 respectively with the Application.

(xxii) There are no preference shareholders in all the Applicant Companies.

(xxiii) There are no secured creditors except in Applicant Companies 7 and 9 and requisite consent from the unsecured creditors of all the Applicant Companies except 7 and 9 have been obtained by way of affidavits for waiver of the meeting to be convened for sanctioning of the Scheme, subject to necessary directions of the Tribunal. The copy of Certificates issued by Chartered Accountants certifying the list of Secured and Unsecured creditors dated 31.08.2023 of Applicant Companies 1, 2, 3, 4, 5, 6, 7 & 9 and dated 15.10.2023 of Applicant Company 8 have been annexed as Annexure E9, F9, G9, H9, I9, J9, K9 & M9 and L8 respectively with the Application. The consent of the Unsecured Creditors of Applicant Companies 1, 2, 3, 4, 5, 6 and 8 by way of Affidavit of No Objection have been annexed as Annexure E10, F10, G10, H10, I10, J10 and L9 respectively with the Application.

(xxiv) It has been prayed to dispense with the meetings of Unsecured Creditors of Applicant Companies 1 to 6 and 8 in view of the written consent given by them by way of affidavit. It has also been prayed to convene the meetings of Secured and Unsecured Creditors of Applicant Companies 7 and 9 and to pass necessary directions, inter alia in connection with the dispatch of notices, fixing date and time for the meeting, appointment of Chairperson, Alternate Chairperson and Scrutiniser for such meetings and fixing the quorum for such meetings.

4. Applicant Companies have furnished First Motion Check List, which contains the details of the Shareholders, Secured and Unsecured Creditors as below:

Name of the Applicant Companies

Shareholders along with their consent on affidavit

Creditors along with their consents on affidavit

Equity Shareholders

Consents

submitted on affidavit

Secured Creditors

Consents

submitted on affidavit

Unsecured Creditors

Consents

submitted on affidavit

Applicant Company 1/

Transferor Company 1

4

(Four)

100%

Nil

NA

3

(Three)

100%

Applicant Company 2/

Transferor Company 2

7

(Seven)

100%

Nil

NA

4

(Four)

100%

Applicant Company 3/

Transferor Company 3

7

(Seven)

100%

Nil

NA

4

(Four)

100%

Applicant Company 4/

Transferor Company 4

5

(Five)

100%

Nil

NA

4

(Four)

100%

Applicant Company 5/

Transferor Company 5

3

(Three)

100%

Nil

NA

3

(Three)

100%

Applicant Company 6//

Transferor Company 6

8

(Eight)

100%

Nil

NA

1

(One)

100%

Applicant Company 7/ Demerged Company/

Transferee Company 1

14

(Fourteen)

100%

11

(Eleven)

Meeting prayed

2,376 (Two thousand three hundred

seventy six)

Meeting prayed

Applicant Company 8/

Resulting Company

3

(Three)

100%

Nil

NA

1

(One)

100%

Applicant Company 9/

Transferee Company 2

11

(Eleven)

100%

11

(Eleven)

Meeting

prayed

294 (Two Hundred

Ninety Four)

Meeting

prayed

ANALYSIS AND FINDINGS

5. The Applicant Companies have not mentioned the 'Appointed Date' in the application. However, in the Part-1 of Scheme, the appointed is mentioned as 01.04.2023 or such other date as may be approved by this Tribunal.

6. It is noted from the Certificate of Chartered Accountants certifying the list of creditors of Applicant Companies that all the secured and unsecured loans, trade creditors, sundry creditors and other current liabilities of the company, as the case may be, except the amount of statutory dues and other expenses. On reconciliation of the unsecured creditors with the figures in the provisional standalone financial statements for the period ended 31.08.2023, some discrepancies have been noticed in respect of Applicant Companies 7 and 9 in respect of unsecured creditors and the list of unsecured creditors as on 31.03.2023 shows slightly lesser than that worked out based on their financial statements for the year ended 31.08.2023.

7. It is noted from the Auditors' Report on the financial statements for the year ended 31.03.2023 of Applicant Company 7 that it has outstanding guarantees of Rs.443.26 crores.

8. It is noted from the provisional standalone financial statements for the period ended 31.08.2023 that Rs.901.48 lakh and Rs.2154.90 lakh have been shown as Deferred Government Grants under the head Other Non-Current Liabilities in the Balance Sheet of Applicant Company 7 and Applicant Company 9 respectively. On further examination, it is observed that these figures relate to the benefit of Export Promotion Capital Goods (EPCG) Scheme availed by the company, which allows import of capital goods including spares for pre-production, production and post-production at zero custom duty subject to an export obligation of up to 6 times of customs duty saved on capital goods imported under EPCG Scheme, to be fulfilled in 6 years reckoned from authorisation issue date. As per further information available on website, the EPCG licence is issued by the Regional Licensing Authorities of Director General of Foreign Trade (DGFT) and transfer of capital goods from one unit to another unit may be allowed by EPCG Committee in the DGFT subject to fulfilment of certain conditions.

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

I. The meetings of the Equity Shareholders of all the Applicant Companies are dispensed with keeping in view the shareholding and ownership pattern and the fact that all the equity shareholders of the Applicant Companies have consented to the waiver of the meeting to be convened for sanctioning of the Scheme.

II. The meetings of the Unsecured Creditors of Applicant Company 1 to 6 and 8 are dispensed keeping in view the fact that all the unsecured creditors of these Applicant Companies have consented to the waiver of the meeting to be convened for sanctioning of the Scheme.

III. The meetings of the Secured Creditors of Applicant Company 7 and 9 be convened, on such date, time and venue either personally/ physically or through video conferencing with facility of remote e-voting, as may be decided by the Chairperson with the consent of Alternate Chairperson and Scrutiniser subject to individual notice of the meeting being issued.

IV. The meetings of the Unsecured Creditors of Applicant Company 7 and 9 be convened, on such date, time and venue either personally/ physically or through video conferencing with facility of remote e-voting, as may be decided by the Chairperson with the consent of Alternate Chairperson and Scrutiniser subject to individual notice of the meeting being issued.

V. Mr Navneet Gupta, Chartered Accountant, Address: 1598, Level-1, Sector 22B,Chandigarh-160022,MobileNo.9814333213,email: navguptaca@gmail.com is appointed as the Chairperson for the meetings to be called under this order. An amount of Rs.1,00,000/- (Rupees One Lakh Only) be paid for his services as the Chairperson.

VI. Mr. Abhinav Sood, Advocate, Address: House No. 17, Sector-2, Chandigarh-160001, Mobile No. 9888889965, e-mail id: advocateabhinavsood@gmail.com is appointed as the Alternate Chairperson for the meetings to be called under this order. An amount of Rs.75,000/-(Rupees Seventy Five Thousand only) be paid for his services as the Alternate Chairperson.

VII. Mr Sahil Malhotra, PCS, Address: 1494, Sector 42-B, Chandigarh, 160036 Mobile No. 9463394255, email: sahil1494@gmail.com is appointed as the Scrutinizer for the meetings to be called under this order. An amount of Rs.50,000/- (Rupees Fifty Thousand Only) be paid for his services as the Scrutinizer.

VIII. The fee of the Chairperson, Alternate Chairperson and Scrutinizer and other out of pocket expenses for them shall be borne by the Applicant Companies jointly.

IX. The notices shall be served to the secured and unsecured creditors of the Applicant company 7 and 9, through courier or speed post or registered post, or through courier or e-mail, 30 days in advance before the scheduled date of meeting, indicating the day, date, place and time as aforesaid, together with a copy of the Scheme, copy of explanatory statement with Valuation Report and any other documents, as may be prescribed under the Act, as per the list of creditors as on the date of passing of this Order in the same manner as the notices are required be served to various authorities as per Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

X. The quorum of the meeting of secured creditors shall be 40% both in number and value of the secured creditors of respective Applicant Companies as per the list of creditors.

XI. The quorum of the meeting of unsecured creditors shall be 40% both in number and value of the unsecured creditors of respective Applicant Companies as per the list of creditors.

XII. The audited accounting statement of Applicant Companies as on 31.03.2023 and the supplementary accounting statement on a subsequent date in terms of Section 232 (2) (e) of the Act be also circulated for the aforesaid meeting.

XIII. Along with the notices, Applicant Companies 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 scheme of 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.

XIV. The Applicant Company 7 and 9 shall publish advertisement with a gap of at least 30 days before the aforesaid meeting, indicating the day, date, place and time of the meeting as aforesaid, in newspapers having wide circulation in Punjab, where the registered Office of the Applicant Companies are presently situated as well in Delhi, where the registered Office of the Applicant Company 7 and 9 was situated prior to shifting to Punjab on 12.04.2023 namely "Times of India" (English, Punjab Edition and Delhi NCR Edition), Punjab Kesari (Hindi, Punjab Edition and Delhi NCR Edition) and "Ajit" (Punjabi). Fact about change in registered office of the Applicant Company 7 and 9 from Delhi to Ludhiana (Punjab) on 12.04.2023 be mentioned in the advertisement. It be stated in the advertisement that the copies of "Scheme", the Explanatory Statement required to be published are pursuant to Section 230 to 232 of the Act. The Applicant Companies shall also publish the notice on its website, if any.

XV. It shall be the responsibility of the Applicant Companies 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.

XVI. 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 Companies under the Act and the Rules framed thereunder.

XVII. The Scrutinizer's report will contain his/her findings on the compliance to the directions given in Para III to XV above.

XVIII. 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. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Hon'ble Chairperson and Alternate Chairperson in preparing and finalizing the report.

XIX. The Applicant Companies 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, Copy of this order, Accounting Statements (as referred to para XI above) and the disclosures mentioned in Rule 6 of the "Rules" to (i) Central Government through the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi (ii) Registrar of Companies Punjab and Chandigarh; (iii) the Official Liquidator (attached to Punjab and Haryana High Court); (iv) Income Tax Authorities, within whose jurisdiction the respective Applicant Companies are assessed by disclosing the PAN of the Applicant Companies (v) Director General of Foreign Trade, Department of Commerce & Industry, Udyog Bhavan, New Delhi-110011 (vi) all the government authorities, to whom statutory dues are payable as per the books of accounts of the Applicant companies and (vii) to such other Sectoral Regulator(s) governing the business of the Applicant Companies, if any, stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme. Fact about change in registered office from Delhi to Ludhiana (Punjab) on 12.04.2023 of Applicant Companies 7 and 9, on 23.05.2023 of Applicant Companies 1 and 3 and on 25.05.2023 Applicant Company2 be mentioned in the advertisement.

XX. The Applicant Companies shall furnish a copy of the copy of the Scheme, Explanatory Statement, Accounting Statements as referred to para XI above and the disclosures mentioned in Rule 6 of the "Rules" free of charge within one day of any requisition for the Scheme made by any creditor or member/shareholder.

XXI. The authorized representative of the Applicant Companies shall 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.

XXII. 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 Companies.

XXIII. With the aforesaid directions, this First Motion Application stands approved. 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.

