
(2024) 04 NCLT CK 0045
In the National Company Law Appellate Tribunal
Case No : CA(CAA) No. 25/ND/2024
U P Telelinks Limited Vs

Date of Decision : 18-04-2024

Acts Referred:

Citation : (2024) 04 NCLT CK 0045

Hon'ble Judges : Mahendra Khandelwal, Member (J); Rahul Bhatnagar, Member (T)

Bench : Division Bench

Advocate : Nikhil Malhotra, Sarthak Jain, Chander Kant

Final Decision : Disposed Of

Judgement

Rahul Bhatnagar, Member (Technical)

1. This is a first motion application filed jointly by the Applicant Company No 1, M/s U P Telelinks Limited (for brevity "Demerged Company / Applicant Company No 1") and M/s UPKAB Technologies Private Limited (for brevity "Resulting Company / Applicant Company No 2") under Section 230-232 of Companies Act, 2013 read with 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 in relation to the Scheme of Arrangement by way of Demerger (hereinafter referred to as the "SCHEME") proposed between the applicants.

2. That the Demerged Company and the Resulting Company under the Scheme of Arrangement have their respective registered office in New Delhi and hence are under the jurisdiction of the National Company Law Tribunal, Bench at New Delhi.

3. The Scheme of Arrangement by way of demerger was approved by Board of Directors of both the Applicant Companies No 1 & 2 on 16.12.2023 and the copy of the same have been duly signed and filed along with the application.

4. The Applicant Company No.1/Demerged Company – M/s U P Telelinks Limited,

having CIN U51909DL1986PLC024032, was incorporated under the provisions of the Companies Act, 1956 as a Private Limited Company vide Certificate of Incorporation dated 25.04.1986, having its registered office at A-10/8, Jhilmil Industrial Area, Shahdara Delhi. The Share Capital of the Applicant Company No. 1/ Demerged Company is as under: -

Particulars

Amount(Rs)

Authorized Share Capital

5000000 Equity Share of Rs 10/-each

5,00,00,000

Issued, Subscribed and paid up share capital

3585200 Equity Share of Rs 10/-each fully paid

3,58,52, 000

5. The Applicant Company No. 2/Resulting Company – M/s UPKAB Technologies Private Limited, having CIN U72200DL2022PTC405415, was incorporated under the provisions of the Companies Act, 2013 as Private Limited Company vide Certificate of Incorporation dated 03.10.2022 with the Registrar of Companies, NCT of Delhi & Haryana and having its registered office at B-268 Yojna Vihar Delhi, East Delhi. The Share Capital of the Resulting Company is as under: -

Particulars

Amount(Rs)

Authorized Share Capital

50,000 Equity Share of Rs 10/-each

5,00,000

Issued, Subscribed and paid up share capital

35852 Equity Share of Rs 10/-each fully paid

3,58,520

6. The Demerged Company as well as the Resulting Company have filed their respective Memorandum and Articles of Association, inter alia delineating their object clauses, as well as their last Audited Annual Accounts for the Financial 31.03.2023.

7. The proposed scheme of demerger will have following benefits:

- Simplification and rationalization of business undertakings holding structure of the Applicant Companies;

- Imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Applicant Companies;
- Increasing efficiencies in management, control and administration of the affairs of the Applicant Companies;
- Enabling the Applicant Companies to focus on their core businesses
- Creating and enhancing stakeholders' value by unlocking the intrinsic value of its core businesses and listing of shares of Resulting Company; and
- Raising necessary resources for the respective businesses independently.

8. It has been stated that the Demerged Company has 9 Shareholders. Certificate from the Chartered Accountants certifying list of Shareholders was annexed. Out of 9 Shareholders, 7 of them (92.96% in value) have given their respective consents by way of affidavits, which were annexed to the application. The Demerged Company has 2 Secured Creditors. Certificate from Chartered Accountants certifying list of creditors was annexed. All of them have given their consent by way of an affidavit, which were annexed to the application. It was further represented that the Demerged Company has 155 Unsecured Creditors. Certificate from Chartered Accountants certifying list of creditors was annexed. Out of 155 Unsecured Creditors, 42 Unsecured Creditors (92.63% in value) have given their consent by way of an affidavit, which were annexed to the application. In relation to the Shareholders, Secured and Unsecured Creditors, it seeks to dispense with the holding/convening of the meetings as their consent affidavits were placed on record.

9. It has been stated that the Resulting Company has 9 Equity Shareholders. Certificate from the Chartered Accountants certifying list of Shareholders was annexed. Out of 9 Shareholders, 7 of them (92.96% in value) have given their respective consents by way of affidavits, which were annexed to the application. The Resulting Company has NIL Secured Creditors. Certificate from the Chartered Accountants certifying NIL Creditors was annexed. Hence, the necessity of convening or dispensing the meeting does not arise. It was further represented that Resulting Company has NIL Unsecured Creditors. Certificate from the Chartered Accountants certifying NIL Creditors was annexed. Hence, the necessity of convening or dispensing the meeting does not arise. In relation to the Shareholders, it seeks to dispense with the holding/convening of the meetings as their consent affidavits were placed on record.

10. The Applicant Companies have stated that the provisions relating to the accounting treatment for the proposed scheme were in conformity with the applicable provisions of the Companies Act, 2013. Certificates from the Statutory Auditor of the Applicant Companies on the accounting treatment, as proposed in the Scheme, were annexed to the application and it is clearly stated that the accounting treatment is in conformity with that prescribed under Section 133 of

Companies Act, 2013.

11. The Applicant Companies have stated there are no proceedings for inspection / investigation under the Companies Act, 1956 and Companies Act, 2013 or the Act or any proceedings under any other department of Applicant Companies or their Directors.

12. Taking into consideration the submissions and the documents filed therewith, the following directions are issued forthwith in respect of convening/holding or dispensing with the meetings of the Shareholders. Secured and Unsecured Creditors of Applicant Companies: -

A. In relation to the Demerged Company:

a) With respect to Equity Shareholders: In view of consent affidavits from the 7 Equity Shareholders, having 92.96% voting share, been filed, convening the meeting of shareholders/members is dispensed with.

b) With respect to Secured Creditors: In view of consent affidavits both the two Secured Creditors, having 100% voting share, been filed, convening the meeting of shareholders/members is dispensed with.

c) With respect to Unsecured Creditors: In view of consent affidavit from 42 Unsecured Creditors, having 92.63 % voting shares, been filed, convening the meeting of Unsecured Creditors is dispensed with.

B. In relation to the Resulting Company:

a) With respect to Equity Shareholders: In view of consent affidavits from the 7 Equity Shareholders, having 92.96% voting share, been filed, convening the meeting of shareholders/members is dispensed with

b) With respect of Secured Creditors: Since there are no Secured Creditors of the Resulting Company, hence, the necessity of convening or dispensing the meeting does not arise.

c) With regard to Unsecured Creditors: Since there are no Unsecured Creditors of the Resulting Company, hence, the necessity of convening or dispensing the meeting does not arise.

13. Notice of this application shall be served on the following:

i. The Regional Director, Northern Region, Ministry of Corporate Affairs, B-2 Wing, 2nd Floor, Pt. Deendayal Antyodaya Bhawan, CGO Complex, New Delhi-110003;

ii. The Registrar of Companies, NCT of Delhi and Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019;

iii. Concerned office of Income Tax Department of both the Applicant Companies. The notices to Income Tax Authorities shall disclose sufficient details like PAN, ward numbers and assessing officers so that timely and proper reply may be filed.

iv. Any other sectoral regulators required to be served.

The application stands allowed on the aforesaid term and accordingly disposed off.